

**ADVANTAGE ACADEMY OF  
PINELLAS, INC. D/B/A  
PINELLAS ACADEMY OF  
MATH AND SCIENCE**

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

INDEPENDENT AUDITOR'S REPORT

*for the fiscal year ended JUNE 30, 2018*

***King & Walker, CPAs, PL***

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*Certified Public Accountants*

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**ADVANTAGE ACADEMY OF PINELLAS, INC.  
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE**

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## **Independent Auditor's Report**

To the Board of Directors of Advantage Academy of Pinellas, Inc.  
d/b/a Pinellas Academy of Math and Science,  
a Charter School and Component Unit of the District  
School Board of Pinellas County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science ("School"), a charter school and component unit of the District School Board of Pinellas County, Florida, as of and for the year ended June 30, 2018, 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 fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 School'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 School'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 opinion.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science, as of June 30, 2018, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2018 on our consideration of Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science's internal control over financial reporting and compliance.

Respectfully submitted,

Handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 14, 2018  
Tampa, Florida

**ADVANTAGE ACADEMY OF PINELLAS, INC.**  
**D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE**

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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The Management's Discussion and Analysis (MD&A) section of the annual financial report of Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science ("School") provides an overview of the School's activities for the fiscal year ended June 30, 2018.

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 as listed in the table of contents.

**FINANCIAL HIGHLIGHTS**

- For the fiscal year ended June 30, 2018, the School's revenues exceeded expenses as shown on the School's statement of activities by \$1,045,946.
- Total assets were \$2,638,288 and total liabilities were \$264,203, resulting in a total net position balance of \$2,374,085 as of June 30, 2018.

**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 position 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 position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School's net position and the results of operations, during the fiscal year. An increase or decrease in net position 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 student base funding level.

**ADVANTAGE ACADEMY OF PINELLAS, INC.**  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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**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 found 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 fund 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 two funds; a General Fund and a Capital Projects Fund. For reporting purposes, the General Fund and the Capital Projects Fund are shown as a major fund. Data from the other governmental funds are combined into a single aggregated presentation.

The School adopts an annual budget for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund to demonstrate compliance with the budget.

**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.

**ADVANTAGE ACADEMY OF PINELLAS, INC.**  
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*A Charter School and Component Unit of the District School Board of Pinellas County, Florida*

**MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government’s financial position. The following is a summary of the School’s net position as of June 30, 2017, and June 30, 2018:

	<b>Net Position, End of Year</b>		
	<u>Governmental Activities</u>		
	<u>6-30-17</u>	<u>6-30-18</u>	<u>Increase (Decrease)</u>
<b>ASSETS</b>			
Current and Other Assets	\$ 1,533,396	\$ 2,551,593	\$ 1,018,197
Capital Assets, net	67,938	86,695	18,757
Total Assets	<u>1,601,334</u>	<u>2,638,288</u>	<u>1,036,954</u>
<b>LIABILITIES</b>			
Current Liabilities	269,451	264,203	(5,248)
Long-term Liabilities	3,744		(3,744)
Total Liabilities	<u>273,195</u>	<u>264,203</u>	<u>(8,992)</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	64,194	86,695	22,501
Unrestricted	<u>1,263,945</u>	<u>2,287,390</u>	<u>1,023,445</u>
Total Net Position	<u>\$ 1,328,139</u>	<u>\$ 2,374,085</u>	<u>\$ 1,045,946</u>

Assets consist of current assets, primarily cash and cash equivalents and the School’s investment in capital assets. Liabilities are comprised of salaries and wages payable and accounts payable. The total net position balance amounts to \$2,374,085.



**ADVANTAGE ACADEMY OF PINELLAS, INC.**  
**D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE**

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

The following is a summary of the School's net position for the current year and prior year:

	<b>Operating Results for the Year</b>		
	<u>Governmental Activities</u>		
	<u>6-30-17</u>	<u>6-30-18</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>			
Federal Through State and Local	\$ 123,520	\$ -	\$ (123,520)
State Sources	4,227,790	4,630,019	402,229
Local and Other	388,467	1,089,161	700,694
<b>Total Revenues</b>	<u>4,739,777</u>	<u>5,719,180</u>	<u>979,403</u>
<b>Expenses:</b>			
Instruction	1,938,892	2,129,792	190,900
Instructional Support Services	425	881	456
Instructional Media Services	145	-	(145)
Instruction & Curriculum Development Services	32,030	49,624	17,594
Instructional Staff Training	5,259	3,739	(1,520)
Instructional Related Technology	16,237	19,426	3,189
Board	259,789	27,180	(232,609)
School Administration	290,295	609,366	319,071
Facilities Acquisition & Construction	706,788	839,113	132,325
Fiscal Services	202,346	222,768	20,422
Food Services	197,433	-	(197,433)
Operation of Plant	283,773	427,524	143,751
Maintenance of Plant	61,140	123,803	62,663
Community Services	167,419	184,293	16,874
Debt Service-Interest and Fees	912	208	(704)
Unallocated Depreciation	30,947	35,517	4,570
<b>Total Expenses</b>	<u>4,193,830</u>	<u>4,673,234</u>	<u>479,404</u>
<b>Increase/(Decrease) in Net Position</b>	<u>\$ 545,947</u>	<u>\$ 1,045,946</u>	<u>\$ 499,999</u>

The largest revenue source for the School is the State of Florida (81%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula and Charter School Capital Outlay funds. The decrease for Federal funding was the result of outsourcing the Food Service operations. The increase in Local funding is due to the receipt of Local Capital Improvement funding.

The largest concentration of expenses is Instruction, which accounted for 46% of total expenditures, and consists primarily of teachers' salaries. Facilities Acquisition and Construction increased due to an increase in rent. The other expense categories experienced increases and decreases between fiscal years due to general economic conditions and the financial needs of the school due to the increase in students.

**ADVANTAGE ACADEMY OF PINELLAS, INC.**  
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*A Charter School and Component Unit of the District School Board of Pinellas County, Florida*

**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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**FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS**

**Governmental Funds**

As the School completed the year, its governmental funds reported a combined fund balance of \$2,287,390.

**BUDGETARY HIGHLIGHTS**

The General Fund and Special Revenue Fund budget for the fiscal year ended June 30, 2018, was developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Over the course of the year, the school revised its General Fund and Capital Projects Fund budget as necessary. For the fiscal year ended June 30, 2018, the actual expenditures were equal to the final budget. Refer to the Budgetary Comparison Schedule for additional information.

**CAPITAL ASSETS**

The School's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$86,695 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and equipment. Additional information regarding the School's capital assets can be found in notes to the financial statements.

**ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

In fiscal year 2018-19, the Board is pursuing tax-exempt long-term debt financing to purchase the instructional facilities where the School currently operates. This long-term financing plan exchanges an escalating lease payment structure for a level debt service payment, providing a measure of stability for the School's facilities budget and future academic budget enhancements. The tax-exempt borrowing will include all issuance costs associated with the tax-exempt borrowing and will not require cash from the School for any transaction related costs.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Charter School Associates, Inc., 5471 N. University Drive Coral Springs, FL 33067.

**ADVANTAGE ACADEMY OF PINELLAS, INC.  
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**

*June 30, 2018*

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash & Cash Equivalents	\$ 2,421,081
Accounts Receivable	72,812
Due From Other Agencies	679
Deposits & Prepaid Expenses	57,021
Capital Assets:	
Furniture, Fixtures, and Equipment, Net	86,695
Total Capital Assets, Net	<u>86,695</u>
TOTAL ASSETS	<u>2,638,288</u>
<b><u>LIABILITIES</u></b>	
Accounts Payable	61,841
Salaries & Wages Payable	<u>202,362</u>
TOTAL LIABILITIES	<u>264,203</u>
<b><u>NET POSITION</u></b>	
Net Investment in Capital Assets	86,695
Unrestricted	<u>2,287,390</u>
TOTAL NET POSITION	<u>\$ 2,374,085</u>

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

**ADVANTAGE ACADEMY OF PINELLAS, INC.  
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2018**

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 2,129,792	\$ -	\$ -	\$ -	\$ (2,129,792)
Instructional Support Services	881				(881)
Instruction and Curriculum Development	49,624				(49,624)
Instructional Staff Training Services	3,739				(3,739)
Instructional-Related Technology	19,426				(19,426)
Board	27,180				(27,180)
General Administration	260,614				(260,614)
School Administration	348,752				(348,752)
Facilities Acquisition and Construction	839,113		140,490	121,136	(577,487)
Fiscal Services	222,768				(222,768)
Operation of Plant	427,524				(427,524)
Maintenance of Plant	123,803				(123,803)
Community Services	184,293	257,466			73,173
Interest on Debt	208				(208)
Unallocated Depreciation	35,517				(35,517)
Total Governmental Activities	\$ 4,673,234	\$ 257,466	\$ 140,490	\$ 121,136	(4,154,142)
General Revenues:					
State Sources					4,368,393
Local and Other					831,695
Total General Revenues					5,200,088
Change in Net Position					1,045,946
Net Position - July 1, 2017					1,328,139
Net Position - June 30, 2018					\$ 2,374,085

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

**ADVANTAGE ACADEMY OF PINELLAS, INC.**  
**D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

*June 30, 2018*

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 2,421,081	\$ -	\$ 2,421,081
Accounts Receivable	72,812		72,812
Due From Other Agencies	679		679
Deposits and Prepaid Expenses	57,021		57,021
Total Assets	<u>\$ 2,551,593</u>	<u>\$ -</u>	<u>\$ 2,551,593</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 61,841	\$ -	\$ 61,841
Salaries and Wages Payable	202,362		202,362
Total Liabilities	<u>264,203</u>	<u>-</u>	<u>264,203</u>
<b>FUND BALANCE</b>			
Nonspendable	57,021		57,021
Unassigned	2,230,369		2,230,369
Total Fund Balances	<u>2,287,390</u>	<u>-</u>	<u>2,287,390</u>
Total Liabilities and Fund Balances	<u>\$ 2,551,593</u>	<u>\$ -</u>	<u>\$ 2,551,593</u>

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

**ADVANTAGE ACADEMY OF PINELLAS, INC.  
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE  
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**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

*June 30, 2018*

<b>Total Fund Balances - Governmental Funds</b>	\$ 2,287,390
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Amounts reported for governmental activities in the statement of net position 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.	<u>86,695</u>
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<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 2,374,085</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

**ADVANTAGE ACADEMY OF PINELLAS, INC.  
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
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**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS**

*For the Fiscal Year Ended June 30, 2018*

	General Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>			
Intergovernmental:			
State Sources	\$ 4,508,883	\$ 121,136	\$ 4,630,019
Local and Other	422,608	666,553	1,089,161
Total Revenues	4,931,491	787,689	5,719,180
<b>Expenditures</b>			
Current - Education:			
Instruction	2,078,692	51,100	2,129,792
Instructional Support Services	881		881
Instruction and Curriculum Development	49,624		49,624
Instructional Staff Training Services	3,739		3,739
Instructional-Related Technology	19,426		19,426
Board	27,180		27,180
General Administration	260,614		260,614
School Administration	348,752		348,752
Facilities Acquisition and Construction	140,490	698,623	839,113
Fiscal Services	222,768		222,768
Operation of Plant	427,524		427,524
Maintenance of Plant	85,837	37,966	123,803
Community Services	184,293		184,293
Fixed Capital Outlay:			
Other Capital Outlay	54,274		54,274
Debt Service:			
Principal	3,744		3,744
Interest	208		208
Total Expenditures	3,908,046	787,689	4,695,735
Net Change in Fund Balances	1,023,445	-	1,023,445
Fund Balances, July 1, 2017	1,263,945		1,263,945
Fund Balances, June 30, 2018	\$ 2,287,390	\$ -	\$ 2,287,390

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

**ADVANTAGE ACADEMY OF PINELLAS, INC.  
D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
*For the Fiscal Year Ended June 30, 2018***

<b>Net Change in Fund Balances - Governmental Funds</b>	<b>\$ 1,023,445</b>
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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 capital outlay expense (\$54,274) in excess of depreciation expense (\$35,517) in the current period.	18,757
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Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position.	3,744
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<b>Change in Net Position - Governmental Activities</b>	<b>\$ 1,045,946</b>
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The accompanying notes to the financial statements are an integral part of this statement.



**ADVANTAGE ACADEMY OF PINELLAS, INC.**  
**D/B/A PINELLAS ACADEMY OF MATH AND SCIENCE**  
A Charter School and Component Unit of the District School Board of Pinellas County, Florida

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

➤ **Reporting Entity**

Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science (“School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Pinellas County, Florida, (“District”). The current charter is effective until June 30, 2021, and may be renewed 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 this case, the District is required to notify the school in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the District. Any unencumbered capital outlay funds revert back to the Florida Department of Education to be redistributed among eligible charter schools. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School’s governmental activities. Direct expenses are those that are specifically

**ADVANTAGE ACADEMY OF PINELLAS, INC.**  
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A Charter School and Component Unit of the District School Board of Pinellas County, Florida

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund Financial Statements - Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Capital Projects Fund – to account for all resources for the acquisition of capital and related items purchased by the School with capital outlay funds.

All other governmental funds are non-major and are presented in the aggregate.

➤ **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.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become 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. The School considers revenues to be available if they are collected within 60 days of the end of the current fiscal

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year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Cash and Cash Equivalents**

Cash and cash equivalents are defined as demand deposits, money market accounts, and short term investments with original maturities of eight months or less from date of acquisition. The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

The School's deposits are placed with banks and savings and loans which are qualified as public depositories, prior to receipt of public monies, under Chapter 280, Florida statutes and the School's policy. The School maintains its cash accounts with one qualified public depository. The accounts routinely exceed the federally insured limit of \$250,000. Monies deposited in amounts greater than the insurance coverage are secured by the bank's pledging securities with the state treasurer in the collateral pool. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit or custodial risk.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	<u>5 years</u>

**NOTES TO FINANCIAL STATEMENTS**  
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➤ **Long-term Debt**

Long-term obligations that will be 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. Current-year information relative to changes in long-term debt is described in subsequent notes.

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The School does not have any items that qualify for reporting in this category.

➤ **Net Position and Fund Balance Classification**

*Government-wide Financial Statements*

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Financial Statements*

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All

**NOTES TO FINANCIAL STATEMENTS**

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nonspendable fund balances at year end relate to assets that are in nonspendable form.

- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s 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.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The School’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent (FTE) students reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School’s compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

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The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2018, the School reported 667.77 unweighted FTE and 702.74 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School may receive federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School is also eligible for charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. 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 and, as such, are reflected as restricted Net Position and reserved fund balance in the accompanying statement of net position and balance sheet – governmental fund, respectively, to the extent that they remain unexpended.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

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➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles 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 statement of net position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

**2. CASH DEPOSITS**

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

**3. DUE FROM OTHER AGENCIES**

Amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds are amounts due for FEFP funds recorded in the General Fund. This receivable is considered fully collectible and therefore, no allowance for uncollectible accounts has been established.

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**4. CHANGES IN CAPITAL ASSETS**

Changes in capital assets are presented in the table below.

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Furniture, Fixtures and Equipment	\$ 153,590	\$ 54,274	\$ -	\$ 207,864
Total Capital Assets Being Depreciated	<u>153,590</u>	<u>54,274</u>	<u>-</u>	<u>207,864</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(85,652)	(35,517)	-	(121,169)
Total Accumulated Depreciation	<u>(85,652)</u>	<u>(35,517)</u>	<u>-</u>	<u>(121,169)</u>
Governmental Activities Capital Assets, net	<u>\$ 67,938</u>	<u>\$ 18,757</u>	<u>\$ -</u>	<u>\$ 86,695</u>

Depreciation expense of \$35,517 was charged to Unallocated Depreciation Expense.

**5. CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Capital Lease Payable	\$ 3,744	\$ -	\$ (3,744)	\$ -	
Total Governmental Activities	<u>\$ 3,744</u>	<u>\$ -</u>	<u>\$ (3,744)</u>	<u>\$ -</u>	<u>\$ -</u>

**6. COMMITMENTS AND CONTINGENT LIABILITIES**

The School participates in state 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 receivables at June 30, 2018, may be impaired.

In the opinion of the School, there are no significant liabilities relating 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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**7. SCHEDULE OF STATE REVENUE SOURCES**

The following is a schedule of the School's State revenue:

Source	Amount
Florida Education Finance Program	\$ 2,830,680
Class Size Reduction	783,600
Discretionary Local Effort	373,983
Capital Outlay Admin	140,490
Supplementary Academic Instruction	136,623
Charter School Capital Outlay	121,136
ESE Guaranteed Allocation	102,182
Instructional Materials	50,437
Reading Allocation	28,633
Safe School	21,495
Digital Classroom Allocation	13,751
Teachers Classroom Assistance Program	8,500
Best & Brightest Teacher Scholarships	8,400
Declining Enrollment	8,194
Discretionary Lottery	1,169
Other State Revenue	746
Total State Revenue	\$ 4,630,019

As provided in the charter school contract, the District has charged the School an administrative fee of \$84,072.

**8. RELATED PARTY TRANSACTIONS**

During the current fiscal year, the School made payments for expenditures for The Charter School at Waterstone, a charter school under the same management company. As of June 30, 2018, \$70,473 is due from The Charter School at Waterstone. The School has reported this amount in accounts receivable on the School's statement of net position and balance sheet – governmental funds.

During the current fiscal year, Valrico Lake Academy and Hillsborough Academy of Math and Science, charter schools under the same charter holder made payments for expenditures for the School. As of June 30, 2018, \$304 is due to Valrico Lake Academy and \$10,655 is due to Hillsborough Academy of Math and Science. The School has reported these amounts in accounts payable on the School's statement of net position and balance sheet – governmental funds.

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**9. FACILITY LEASE**

Advantage Academy of Pinellas, Inc. entered into a 25 year noncancelable operating lease for its educational facility beginning September 1, 2012, through August 31, 2037. The facility will be used for the operation of Pinellas Academy of Math and Science. This lease can be renewed for an additional four additional 5 year periods subject to mutual agreement of both parties. Payments under the lease agreement for the year ending June 30, 2018, totaled \$839,113.

The following is a schedule, by years, of the School’s portion of future minimum rental payments required under operating leases that have remaining noncancelable lease terms in excess of one year. The lease terms require a consumer price index (CPI) increase yearly. This year the CPI of 1.1082% was used in calculating future minimum rental payments. An additional amount may due on the lease for more than 634 students.

Fiscal Year Ending June 30:	Amount
2019	\$ 802,786
2020	811,473
2021	820,255
2022	829,132
2023	838,105
2024-2037	<u>13,734,227</u>
Total	<u>\$ 17,835,978</u>

**10. OPERATING AGREEMENT**

The School entered into a contract with Charter School Associates (CSA) effective through June 30, 2021. The contract calls for CSA to provide the School with marketing, curriculum design and implementation; student and staff recruiting; principal recruiting; and general development and management of the School’s operations. An annual fee is to be 9% of the School’s FEFP operating revenue less the School’s administrative fee, to be paid in monthly installments. Fees under this agreement incurred to CSA during the fiscal year amounted to \$396,844.

**11. SCHOOL FOOD SERVICE AGREEMENT**

In July 2017, the School entered into an agreement with The Charter School at Waterstone, a charter school under the same management company, to operate the School’s food service operations. The School incurs no cost and no revenue is received for food service operations. No revenues or expenditures are reflected in these financial statements for transactions related to the provision of meals.

**NOTES TO FINANCIAL STATEMENTS**  
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**12. PENSION PLAN**

The School participates in a defined contribution tax sheltered annuity 401(k) plan for participating employees. Contributions made by the School totaled \$4,030 for the year ended June 30, 2018, which were computed at 1.5% of employee compensation for each participating employee. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The rate of contribution is set annually by the School's Board of Directors.

**13. RISK MANAGEMENT PROGRAMS**

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 for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**14. FUNDING AND CREDIT RISK CONCENTRATIONS**

The School receives substantially all of its support and revenue from federal, state and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

**15. 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

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**DISTRICT SCHOOL BOARD OF PINELLAS COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (UNAUDITED)**  
*For the Fiscal Year Ended June 30, 2018*

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental:				
State Sources	\$ 4,670,468	\$ 4,508,883	\$ 4,508,883	-
Local and Other	582,740	422,608	422,608	-
Total Revenues	<u>5,253,208</u>	<u>4,931,491</u>	<u>4,931,491</u>	-
<b>Expenditures:</b>				
Current - Education:				
Instruction	2,279,974	2,078,692	2,078,692	-
Instructional Support Services	476	881	881	-
Instructional Media Services	162	-	-	-
Instruction and Curriculum Development	56,063	49,624	49,624	-
Instructional Staff Training Services	5,891	3,739	3,739	-
Instructional-Related Technology Services	20,461	19,426	19,426	-
Board	20,389	27,180	27,180	-
General Administration	262,572	260,614	260,614	-
School Administration	321,040	348,752	348,752	-
Facilities Acquisition and Construction	622,119	140,490	140,490	-
Fiscal Services	228,565	222,768	222,768	-
Operation of Plant	317,534	427,524	427,524	-
Maintenance of Plant	45,000	85,837	85,837	-
Community Services	208,635	184,293	184,293	-
Fixed Capital Outlay:				
Other Capital Outlay	-	54,274	54,274	-
Debt Service:				
Principal	3,744	3,744	3,744	-
Interest	196	208	208	-
Total Expenditures	<u>4,392,821</u>	<u>3,908,046</u>	<u>3,908,046</u>	-
Net Change in Fund Balance	860,387	1,023,445	1,023,445	-
Fund Balance, July 1, 2017	1,263,945	1,263,945	1,263,945	-
Fund Balance, June 30, 2018	<u>\$ 2,124,332</u>	<u>\$ 2,287,390</u>	<u>\$ 2,287,390</u>	-

See Independent Auditor's Report.

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**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2018**

**1. BUDGETARY BASIS OF ACCOUNTING**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

**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 Advantage Academy of Pinellas, Inc.  
d/b/a Pinellas Academy of Math and Science,  
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 financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science ("School"), a charter school and component unit of the District School Board of Pinellas County, Florida, as of and for the year ended June 30, 2018, 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 14, 2018.

**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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 14, 2018  
Tampa, Florida

**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 Advantage Academy of Pinellas, Inc.  
d/b/a Pinellas Academy of Math and Science,  
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 Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science (“School”), a charter school and component unit of the District School Board of Pinellas County, Florida, as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated September 14, 2018.

**Auditor’s Responsibility**

We conducted our audit in 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 and Chapter 10.850, Rules of the Auditor General.

**Other Reports and Schedules**

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 14, 2018, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no prior audit findings or recommendations.

**Official Title**

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Advantage Academy of Pinellas, Inc. d/b/a Pinellas Academy of Math and Science.



## **Financial Condition**

Sections 10.854(1)(e)2., Rules of the Auditor General, requires that we report the results of our determination as to 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)6.a. 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 this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the District School Board of Pinellas County and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 14, 2018  
Tampa, Florida