

ACCELERATION MIDDLE CHARTER SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF LEE COUNTY, FLORIDA
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORTS THEREON
As of and For the Year Ended June 30, 2019

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**ACCELERATION MIDDLE CHARTER SCHOOL
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Management of Acceleration Middle Charter School (the “School”) offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2019. Readers are encouraged to use this information in conjunction with information furnished in the School’s financial statements. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and other supplemental information.

FINANCIAL HIGHLIGHTS

- The School ended fiscal year 2019 with a net position of \$35,900.
- For the fiscal year ended June 30, 2019, the School’s expenses exceeded revenues by \$130,877.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the School’s basic financial statements. The School’s basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the financial condition of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the understanding of the financial condition of the School.

Government-wide Financial Statements

The government-wide financial statements, similar in format to the financial statements of a private-sector business, are designed to provide a broad overview of the School’s finances. The government-wide statements provide short-term and long-term information about the School’s financial status as a whole.

The two government-wide statements report the School’s net position and the current year changes. Net position is the difference between the School’s total assets and total liabilities. Measuring net position is one way to evaluate the School’s financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include the School’s basic services. The business-type activities are services the School charges for, which are not directly related to the School’s mission. For the year ended June 30, 2019, the School had no business-type activities or component units.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School’s most significant activities. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. All of the operations of the School are presented in governmental funds only.

**ACCELERATION MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The School's basic services are accounted for in governmental funds. These funds focus on how the assets that can readily be converted into cash flow in and out, and what monies are left at year-end available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting. This method has a current financial resource focus. As a result, the governmental fund financial statements provide a detailed short-term view of the financial resources available to finance the School's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The School adopts an annual budget for its general fund, as required by the Florida Statutes. The budget is legally adopted by Management of the School and its Board. Budgetary comparison schedules have been included as part of the required supplementary information. The budgetary comparison schedules show four columns: 1) the original budget as adopted by the board, 2) the final budget as amended by the board, 3) the actual resources, charges and ending balances in the general fund, and 4) the variance between the final budget and the actual resources and charges. During the year ended June 30, 2019, the original budget was amended once.

Notes to Financial Statements

The notes to financial statements provide additional information essential to the full understanding of the information reported in the government-wide and fund financial statements. The notes to the financial statements start on page 15 of this report.

Other Reports

This report also includes the Independent Auditors' Report on Internal Controls Over Financial Reporting and On Compliance and Other Matters Required by Government Auditing Standards, as well as the Management Letter required by the Rules of the Auditor General, Chapter, 10.850, Audits of Charter Schools and Similar Entities.

**ACCELERATION MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE ANALYSIS OF THE SCHOOL

Net Position

Below is a summary of the School's net position as of June 30, 2019 and 2018.

| | <u>2019</u> | <u>2018</u> | <u>Change Increase (Decrease)</u> |
|--|------------------|-------------------|---|
| Assets | | | |
| Cash and Cash Equivalents | \$ 35,900 | \$ 172,671 | \$ (136,771) |
| Accounts Receivable | - | 9,756 | (9,756) |
| Capital Assets, Net | - | 13,479 | (13,479) |
| Total Assets | <u>\$ 35,900</u> | <u>\$ 195,906</u> | <u>\$ (160,006)</u> |
| Liabilities | | | |
| Current Liabilities | \$ - | \$ 26,069 | \$ (26,069) |
| Long Term Liabilities | - | 3,061 | (3,061) |
| Total Liabilities | <u>\$ -</u> | <u>\$ 29,130</u> | <u>\$ (29,130)</u> |
| Net Position | | | |
| Invested in Capital Assets, Net of Related Debt | \$ - | \$ 13,479 | \$ (13,479) |
| Unrestricted | <u>35,900</u> | <u>153,297</u> | <u>(117,397)</u> |
| Total Net Position | <u>\$ 35,900</u> | <u>\$ 166,776</u> | <u>\$ (130,876)</u> |

The fiscal year ended in June 30, 2019 was the School's fourth year of operations. At June 30, 2019, the School's total assets and net position was approximately \$35,900. The School's liabilities primarily consisted of amounts due to operational expenses payable, and payroll related liabilities. The school had no liabilities at June 30th, 2019. The change in net position is due to the current year's operating deficit.

**ACCELERATION MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Change in Net Position

Below is the summary of changes in net position, and revenues and expenses for fiscal year 2019.

| | 2019 | 2018 | Change Increase (Decrease) |
|-------------------------------|---------------------|---------------------|----------------------------------|
| Revenues | | | |
| Federal Sources | \$ 72,945 | \$ 119,035 | \$ (46,090) |
| State and Local Sources | 443,579 | 587,436 | (143,857) |
| Other Revenues | - | 6,192 | (6,192) |
| Total Revenues | <u>\$ 516,524</u> | <u>\$ 712,663</u> | <u>\$ (196,139)</u> |
| Expenditures | | | |
| Instruction | \$ 218,837 | \$ 246,152 | \$ (27,315) |
| Instructional Support | - | 56,536 | (56,536) |
| Instructional Staff Training | - | 199 | (199) |
| Instructional Technology | 12,492 | 5,106 | 7,386 |
| Board | 12,416 | 17,413 | (4,997) |
| General Administration | 90,185 | 29,956 | 60,229 |
| School Administration | 22,230 | 155,442 | (133,212) |
| Fiscal Services | 17,254 | 12,651 | 4,603 |
| Food Services | 29,719 | 29,257 | 462 |
| Pupil Transportation Services | 88,947 | 103,900 | (14,953) |
| Operation of Plant | 150,436 | 142,687 | 7,749 |
| Interest Expense | - | 1,572 | (1,572) |
| Community Services | <u>4,885</u> | <u>28,623</u> | <u>(23,738)</u> |
| Total Expenditures | <u>\$ 647,401</u> | <u>\$ 829,494</u> | <u>\$ (182,093)</u> |
| Change in Net Position | \$ (130,877) | \$ (116,831) | \$ (14,046) |

The School's total revenues for the year ended June 30, 2019, were approximately \$516,500 while its total expenses were approximately \$647,400 for a net decrease in net position of approximately \$130,877.

The largest source of revenues for the school is funding through the Florida Education Finance Program ("FEFP"). Funding under the program is determined based on a formula which utilizes the number of students enrolled multiplied by a predetermined dollar cost per student. The expectations that enrollment would increase was not achieved. Enrollment declined by approximately thirty-three percent (33%) during the fiscal year 2018-19.

**ACCELERATION MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The focus of the School's governmental funds is to provide information on near term inflows, outflows, and balances of usable resources. This information is useful in assessing the School's financing requirements. Specifically, the unrestricted fund balance is a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the completion of the School's fiscal year, its governmental funds reported a combined fund balance of \$35,900.

General Fund Budgetary Highlights

Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates used to prepare the original budget; 2) amendments made to recognize changes in funding amounts; and 3) changes in appropriations necessary to maintain services. During the fiscal year, the School amended its original budget once.

In the general fund, actual revenues were approximately \$4,257 less than budgeted revenues. On the expenditure side, actual expenditures were approximately \$79,019 less than budgeted expenditures. As a result, there was a favorable variance of approximately \$74,762.

Economic Factors

As discussed in Note I, on March 1, 2019 the School notified the School Board of Lee County, Florida of its intent not to renew the charter school contract which was expiring effective June 30th, 2019.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

For the year ended June 30, 2019, the School's capital assets consisted of the following:

| | Governmental Activities | |
|--------------------------------|-------------------------|-----------|
| | Gross Capital Assets | |
| Capital Assets | 2019 | 2018 |
| Furniture and equipment | \$ - | \$ 11,138 |
| Computer and computer software | - | 23,382 |
| | \$ - | \$ 34,520 |

**ACCELERATION MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

During fiscal year 2019, the School did not invest in any capital assets. At the end of fiscal year 2019, the School delivered all its Capital Assets to the Lee County School District. Depreciation expense of \$13,749 was allocated to the school instruction function in the Statement of Activities. More detailed information about the School's capital assets is presented in Note B to the Basic Financial Statements.

Long Term Debt

As of June 30, 2019, the school had no long-term debt.

ACCOMPLISHMENTS

During 2018-2019, the School completed its fifth year of operations. The School served 64 students throughout the year.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the funding it received. Should additional information be required, please contact the School's administrative offices at 3365 Seminole Ave, Fort Myers, Florida, 33916.

TERMINATION OF CHARTER

On March 1, 2019, the School informed the District that it would not be renewing the charter school agreement with the District which was expiring effective June 30, 2019. The School did not open for the 2019-20 school year. Assets of the School that were purchased with public funds were delivered to the District as of July 1, 2019 as required by the charter agreement. This is the final financial report for the School.

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Report of Independent Auditors on Basic Financial Statements and Supplementary Information

Honorable President and
Members of the Board of Directors
Acceleration Middle Charter School,
a Charter School and Component Unit of the
District School Board of Lee County, Florida.

We have audited the accompanying financial statements of the governmental activities and each major fund of Acceleration Middle Charter School (the "School"), a charter school and component unit of the District School Board of Lee County, Florida, as of and for the year ended June 30, 2019, 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.

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 of 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 opinion.

Opinion

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the School, as of June 30, 2019, 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.

Emphasis of Matters

As disclosed in Note I of the financial statement, the School elected not to renew its charter agreement and close the School effective June 30, 2019. The School did not open for the 2019-2020 school year.

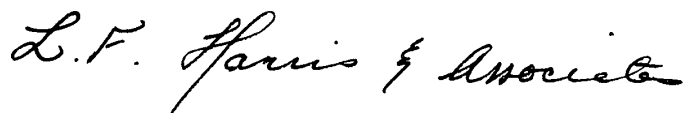
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements (see pages 1-6 and 25). 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 historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 9, 2019 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, 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 Governmental Auditing Standards in considering the School's internal control over financial reporting and compliance.



L. F. Harris & Associates, CPA, P. A.
Orlando, Florida
September 9, 2019

**Acceleration Middle Charter School
A Charter School and Component Unit of the
District School Board of Lee County, Florida
Statement of Net Position**

June 30, 2019

| | <u>2019 Governmental Fund</u> |
|---|---------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 35,900 |
| Accounts receivable | - |
| Total Current Assets | <u>35,900</u> |
| Total assets | \$ 35,900 |
| LIABILITIES | |
| Total liabilities | <u>-</u> |
| NET POSITION | |
| Invested in capital assets, net of related debt | - |
| Unrestricted | <u>35,900</u> |
| Total net position | <u>35,900</u> |
| Total Liabilities and net position | <u><u>\$ 35,900</u></u> |

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

**Acceleration Middle Charter School
A Charter School and Component Unit of the
District School Board of Lee County, Florida
Statement of Activities**

June 30, 2019

| | Expenses | Program Specific Revenues | | | Net (Expenses) Revenues and Changes in Net Position | |
|---------------------------------------|-------------------|-------------------------------------|---|---|--|---------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Total |
| Governmental Activities: | | | | | | |
| Instruction | \$ 218,837 | \$ - | \$ 72,945 | \$ - | \$ (145,892) | \$ (145,892) |
| Instructional Technology | 12,492 | - | - | - | (12,492) | (12,492) |
| Board | 12,416 | - | - | - | (12,416) | (12,416) |
| General Administration | 90,185 | - | - | - | (90,185) | (90,185) |
| School Administration | 22,230 | - | - | - | (22,230) | (22,230) |
| Fiscal Services | 17,254 | - | - | - | (17,254) | (17,254) |
| Food Services | 29,719 | - | - | - | (29,719) | (29,719) |
| Pupil Transportation Services | 88,947 | - | - | - | (88,947) | (88,947) |
| Operation of Plant | 150,436 | - | - | - | (150,436) | (150,436) |
| Community Services | 4,885 | - | - | - | (4,885) | (4,885) |
| | <u>\$ 647,401</u> | <u>\$ -</u> | <u>\$ 72,945</u> | <u>\$ -</u> | <u>\$ (574,456)</u> | <u>\$ (574,456)</u> |
| General Revenues: | | | | | | |
| State and Local Sources | | | | \$ 443,579 | \$ 443,579 | |
| Contributions and Other Revenues | | | | - | - | |
| Total General Revenues | | | | <u>443,579</u> | <u>443,579</u> | |
| Changes in Net Position | | | | (130,877) | (130,877) | |
| Net position at beginning of the year | | | | <u>166,777</u> | <u>166,777</u> | |
| Net position at end of the year | | | | <u>\$ 35,900</u> | <u>\$ 35,900</u> | |

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

**Acceleration Middle Charter School
A Charter School and Component Unit of the
District School Board of Lee County, Florida
Balance Sheet - Governmental Funds
June 30, 2019**

| | General Fund |
|------------------------------------|---------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 35,900 |
| Accounts receivable | - |
| Total assets | \$ 35,900 |
| LIABILITIES | |
| Total liabilities | \$ - |
| FUND BALANCE | |
| Spendable: | |
| Unassigned | 35,900 |
| Total fund balance | 35,900 |
| Total liabilities and fund balance | \$ 35,900 |

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

**Acceleration Middle Charter School
A Charter School and Component Unit of the
District School Board of Lee County, Florida
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2019**

Total Fund Balances - Governmental Funds \$ 35,900

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

Long-term liabilities, including notes payable, are not due and payable in the current period, and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at the year end consist of :

| | |
|--------------|---|
| Note payable | - |
|--------------|---|

Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in the governmental funds. The cost of fixed assets is \$ - and the accumulated depreciation is \$ -

| | |
|---|------------------|
| Total Net Position - Governmental Activities | <u>\$ 35,900</u> |
|---|------------------|

**Acceleration Middle Charter School
A Charter School and Component Unit of the
District School Board of Lee County, Florida
Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds**

June 30, 2019

| | <u>General Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|---|---|
| REVENUES | | | |
| State and Local Sources | \$ 443,579 | \$ - | \$ 443,579 |
| Federal Sources | - | 72,945 | 72,945 |
| Total Revenue | <u>443,579</u> | <u>72,945</u> | <u>516,524</u> |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | 132,413 | 72,945 | 205,358 |
| Instructional Technology | 12,492 | - | 12,492 |
| Board | 12,416 | - | 12,416 |
| General Administration | 90,185 | - | 90,185 |
| School Administration | 22,230 | - | 22,230 |
| Fiscal Services | 17,254 | - | 17,254 |
| Food Services | 29,719 | - | 29,719 |
| Pupil Transportation | 88,947 | - | 88,947 |
| Operation of Plant | 150,436 | - | 150,436 |
| Community Service | 4,885 | - | 4,885 |
| Debt Service Principal | 8,174 | - | 8,174 |
| Total Expenditures | <u>569,151</u> | <u>72,945</u> | <u>642,096</u> |
| Excess (deficiency) of Revenues Over Expenditures | <u>(125,572)</u> | <u>-</u> | <u>(125,572)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | - | - | - |
| Operating transfers out | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (125,572) | - | (125,572) |
| Fund balances at beginning of year | <u>161,472</u> | <u>-</u> | <u>161,472</u> |
| Fund balances at end of year | <u>\$ 35,900</u> | <u>\$ -</u> | <u>\$ 35,900</u> |

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

**Acceleration Middle Charter School
A Charter School and Component Unit of the
District School Board of Lee County, Florida
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities June 30, 2019**

Net Changes in Fund Balances - Total Governmental Funds \$ (125,572)

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

The issuance of long-term debt (for example leases and notes) provides current financial resources to governmental funds, while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Nether transaction, however has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items, 8,174

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. There were no capital outlays in the current period. Depreciation expense of \$13,479 was reported in the current period. (13,479)

Change in Net Position of Governmental Activities \$ (130,877)

ACCELERATION MIDDLE CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Acceleration Middle Charter School (the “School”) is a Not-for-Profit Corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes.

The School is a small, community-based charter school with focused and differentiated instruction based upon the need of each and every student. All students are valued and accepted for who they are and encouraged to strive toward academic excellence with individual progressive student learning plans. The focus of the School is on the individual student's needs. Success for the student must include academics, social and life skills, coping and interpersonal skills, organization, communication, and study skills.

The students are provided with an engaging and challenging curriculum to promote academic performance, increase self-esteem, and build social and civic responsibility. This is all done in an atmosphere that promotes a common sense approach to education by offering individualized, tailored, and personalized student learning plans. The School functions through a board of directors and was designed for the success of middle school students by offering individualized student learning plans and creative, flexible options for students to succeed. The School is perfect for the student who wants to get back to academics and away from the pressure of larger schools.

The School is coded as an alternative middle school with the Florida Department of Education (“FLDOE”) and is held accountable by a School Improvement Rating (“SIR”) for academic achievement. The school targets students who have been retained, in danger of retention, potential drop outs, middle school drop outs, and those students who are failing in mainstream public educational environments and need a change.

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 Lee County Florida, (the “School District”).

Charter Contract

The current charter under audit expired June 30, 2019 and the Board of Directors decided not to renew the agreement between the School and the School District. However, all property purchased by the School with public funds and any unencumbered public funds were returned to the School District. The School was considered a component unit of the School District and meets the definition of a governmental entity under the Governmental Accounting Standards Board (“GASB”), accounting guidance; therefore, for

ACCELERATION MIDDLE CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 of the School which should be reported with the School's basic financial statements are identified and described in the GASB Codification of Governmental Accounting and Financial Reporting Standards.

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

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits for States and Local Governments and provisions in the Florida Statutes the School is presented as a governmental organization for financial statement reporting purposes.

The basic financial statements of the School have been prepared in conformity with generally accepted accounting principles as applied to governmental Not-for-Profit organizations. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-wide Financial Statements

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The statement of activities reports expenses of a given function offset by program revenues directly connected with the function. A function is a set of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

The government-wide financial statements of the School consist of governmental activities. The School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.

ACCELERATION MIDDLE CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The fund financial statements report detailed information about the School's most significant funds, not the School as a whole. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund balance, revenues and expenditures. Resources are allocated to, and accounted for, in individual funds based on the purpose for which they are spent and the means by which spending activities are controlled.

The funds in the financial statements of this report are as follows:

- General Fund - the School's primary operating fund accounting for all financial resources of the school, except those required to be accounted for in another fund.
- Special Revenue Fund – accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for a specific purpose.

For purpose of these statements, the general fund constitutes the only major funds. The special revenue fund is a non-major fund and is presented as another governmental fund in the basic financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and are 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 reported using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing the related cash flows take place.

The governmental funds basic financial statements are reported using the modified accrual basis of accounting. Under this method, revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. The School considers revenues to be available if they are collected within sixty (60) days after the end of the fiscal year. Expenditures are recorded 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisition of capital leases are reported as other financing sources.

ACCELERATION MIDDLE CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis Accounting

Budgets are prepared using the modified accrual basis of accounting and the governing board must approve all budgets and amendments. During the fiscal year, expenditures were controlled at the object level. Budgets may be amended by resolution of the Board prior to the date of the annual report.

Cash and Cash Equivalents

The School's cash and cash equivalents consist primarily of demand deposits with financial institutions. For purposes of presentation on the Statement of Net Position and the Balance Sheet, Governmental Fund investments with an original maturity of three months or less at any time they are purchased are considered to be cash equivalents.

Under current regulations, cash deposits at FDIC-insured institutions are covered up to the limits of \$250,000 per institution. At June 30, 2019 this amount was not exceeded.

Capital Assets and Depreciation

The School's purchased capital assets with useful lives of more than one year are stated at historical cost and reported in the statement of net assets in the government-wide financial statements.

Donated capital assets are recorded at their estimated fair value on the date of donation. The school capitalizes assets with a cost or fair value of \$1,000 or more. Expenditures for normal maintenance and repairs 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> |
|-------------------------|--------------|
| Furniture and Equipment | 7 |
| Computer Software | 3 |

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ACCELERATION MIDDLE CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position and Fund Balance Classifications

Government-wide financial statements

Net position is classified and reported in three components:

- Investment in capital assets, net of related debt - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings attributed to the acquisition or improvement of those assets;
- Restricted – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulation of other governments; and
- Unrestricted – all other net assets not meeting the definition of “restricted” or “invested in capital assets, net of related debt”.

Fund financial statements

GASB Codification Section 1800.142, Fund Balance Reporting and Governmental Fund Type Definitions defines the different types of fund balances 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:

- Non-spendable – 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 non-spendable fund balances at year end relate to assets that are in a non-spendable 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.

This statement also clarifies that the special revenue fund may be used to account for the proceeds of specific revenue sources (other than trusts for individual, private organizations or other governmental agencies or for major capital projects) legally restricted to expenditures for specified purposes.

ACCELERATION MIDDLE CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Fund Balance Spending Policy

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

Revenue Sources

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of Full Time Equivalent ("FTE") students and related data to the Florida Department of Education ("FDOE") for funding through the Florida Education Finance Program ("FEFP"). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under 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 reduction 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) un-weighted 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.

Revenues for operations are provided primarily from the School 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, Florida Statutes, the School reports the number of FTE students and related data to the School District. The School District receives a five percent (5%) administrative fee from the School, which is withheld from the respective FEFP payments. The administrative fee is reflected as a general administration expense 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.

The School may receive 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 are incurred.

ACCELERATION MIDDLE CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Note A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and therefore is exempt from income taxes. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the 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.

The School has adopted guidance related to accounting for uncertainty in income taxes, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. This guidance is applicable to not-for-profit organizations that may be conducting unrelated business activities, which are potentially subject to income taxes, including state income taxes. The School has not and does not expect to conduct any unrelated business activities.

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 for the period presented. Actual results could differ significantly from those estimates.

Subsequent Events

The School has adopted guidance that requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for the date, that is, whether that date represents the date the financial statements were issued or were available to be issued.

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ACCELERATION MIDDLE CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE B – CAPITAL ASSETS AND DEPRECIATION

For the year ended June 30, 2019, the School’s capital assets consisted of the following:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Disposals</u> | <u>Ending Balance</u> |
|---------------------------------------|------------------------------|------------------|------------------|---------------------------|
| Capital Assets | | | | |
| Furniture and equipment | \$ 11,138 | \$ - | \$ 11,138 | \$ - |
| Computer and computer software | <u>23,382</u> | <u>-</u> | <u>23,382</u> | <u>-</u> |
| | <u>\$ 34,520</u> | <u>\$ -</u> | <u>\$ 34,520</u> | <u>\$ -</u> |
| Less Accumulated Depreciation: | | | | |
| Furniture and equipment | \$ 21,041 | \$ - | \$ 21,041 | \$ - |
| Computer and computer software | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 21,041</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Depreciation expense of \$13,479 was allocated and charged to the school instruction function in the accompanying statement of activities. Assets of the school were reverted to the District as required by the Charter Agreement.

NOTE C - DEBT

On June 24, 2014 the School obtained an unsecured loan from an affiliate. The total amount borrowed was \$25,000. Principal and interest payments of \$472 are due monthly at an interest rate of five percent (5%) beginning September 1, 2016. The balance outstanding at June 30, 2019 amounted to \$0.

Activity during the fiscal year ended June 30, 2019 was as follows:

| | |
|--|----------------|
| Balance outstanding at the beginning of the year | \$ 8,175 |
| Additions | - |
| Reductions | <u>(8,175)</u> |
| Balance outstanding at the end of year | <u>\$ -</u> |

ACCELERATION MIDDLE CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE D – SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

The following is a schedule of state and local revenue sources:

District School Board of Lee County, Florida:

| | |
|--|-------------------|
| Florida Education Finance Program | \$ 276,403 |
| Class Size Reduction | 59,471 |
| Discretionary Millage | 40,144 |
| Discretionary Lottery | 210 |
| Supplemental Academic Instruction | 15,465 |
| Instructional Materials | 4,660 |
| ESE Guaranteed Allocation | 21,736 |
| Student Transportation | 16,907 |
| K-12 Reading Allocation | 2,665 |
| Digital Classroom | 1,158 |
| Federally Connected Student Supplement | - |
| Safe Schools | 2,981 |
| Additional Allocation | - |
| Library Materials | 282 |
| Mental Health Assistance | 1,497 |
| Total State and Local Revenue | <u>\$ 443,579</u> |

The administrative fee paid to the School District during the year ended June 30, 2019 totaled \$22,230, and is reflected as a general administration expense in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

NOTE E – RISK MANAGEMENT PROGRAM

The School is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, general liabilities, and natural disasters for which the school carries commercial insurance. There have been no significant reductions in insurance coverage during the fiscal year ending June 30, 2019. Settled claims resulting from these risks have not historically exceeded commercial coverage. The School is in compliance with coverage parameters dictated by the charter with the School District.

NOTE F – RELATED PARTY TRANSACTION

An officer of Acceleration Middle Charter School is also an executive director of one other organization with operations similar to those of the Charter School. There was an unsecured loan in the amount of \$8,175 which was repaid to the second organization, Innovation Educational Services, Inc. during the fiscal year.

ACCELERATION MIDDLE CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE G – COMMITMENTS AND CONTINGENCIES

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 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.

Management of the School believes 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.

Legal matters

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

Lease commitments

The School leased its main facility under a 5-year operating lease agreement effective July 1, 2016, which expires on June 30, 2021. The School exercised the cancelation option included in the lease agreement effective July 1, 2019. The lease was terminated due to the Schools decision to cease operations as of June 30, 2019. The school also leased offices for administrative functions on a month to month basis. Rent expense incurred for main facility and administrative offices for the year ended June 30, 2019 was \$59,242 and \$8,616 respectively.

NOTE H – SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through August 30, 2019, which is the date the financial statements were available to be issued.

NOTE I – TERMINATION OF CHARTER AND OPERATIONS

On March 1, 2019, the School informed the District that it would not be renewing the charter school agreement with the District which was expiring effective June 30, 2019, The School did not open for the 2019-20 school year Assets of the School that were purchased with public funds were delivered to the District as of July 1, 2019 as required by the charter agreement. This is the final financial report for the School.

**Acceleration Middle Charter School
A Charter School and Component Unit of the
District School Board of Lee County, Florida
Required Supplementary Information
Budget Comparison Schedule - General Fund
June 30, 2019**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|--------------------|------------------|--|
| | <u>Original</u> | <u>Final</u> | | <u>Favorable</u> <u>(Unfavorable)</u> |
| REVENUES | | | | |
| State and Local Sources | \$ 650,514 | \$ 447,836 | \$ 443,579 | \$ (4,257) |
| Contributions and Other Revenue | - | - | - | - |
| Total Revenue | <u>650,514</u> | <u>447,836</u> | <u>443,579</u> | <u>(4,257)</u> |
| EXPENDITURES | | | | |
| Instruction | 187,853 | 169,055 | 132,414 | 36,641 |
| Instruction Support Services | - | 13,000 | (1) | 13,001 |
| Instructional Staff Training | - | - | - | - |
| Instructional Technology | 28,000 | 28,000 | 12,492 | 15,508 |
| Board | 15,000 | 35,000 | 12,416 | 22,584 |
| General Administration | - | - | 90,185 | (90,185) |
| School Administration | 134,000 | 100,000 | 22,230 | 77,770 |
| Fiscal Services | 17,000 | 20,000 | 17,254 | 2,746 |
| Food Services | 40,000 | 31,000 | 29,719 | 1,281 |
| Pupil Transportation | 105,000 | 96,000 | 88,947 | 7,053 |
| Operation of Plant | 130,000 | 142,000 | 150,436 | (8,436) |
| Maintenance of Plant | 12,000 | 13,000 | - | 13,000 |
| Community Service | 30,000 | 6,000 | 4,885 | 1,115 |
| Capital Expenditures | - | - | - | - |
| Debt Service | - | - | 8,174 | (8,174) |
| Total Expenditures | <u>698,853</u> | <u>653,055</u> | <u>569,151</u> | <u>83,904</u> |
| Excess (deficiency) of revenues over expenditures | <u>(48,339)</u> | <u>(205,219)</u> | <u>(125,572)</u> | <u>79,647</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | - | - | - | - |
| Operating transfers out | - | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>(48,339)</u> | <u>(205,219)</u> | <u>(125,572)</u> | <u>79,647</u> |
| Fund balances at beginning of year | <u>161,472</u> | <u>161,472</u> | <u>161,472</u> | <u>-</u> |
| Fund balances at end of year | <u>\$ 113,133</u> | <u>\$ (43,747)</u> | <u>\$ 35,900</u> | <u>\$ 79,647</u> |



**Independent Auditors' 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**

Honorable President and
Members of the Board of Directors
Acceleration Middle Charter School,
a Charter School and Component Unit of the
District School Board of Lee 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 and each major fund of Acceleration Middle Charter School (the "School"), a charter school and component unit of District School Board of Lee County, Florida, as of and for the year ended June 30, 2019, and have issued our report thereon dated September 9, 2019.

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 opinion 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

L.F. Harris & Associates

L.F. Harris & Associates, CPA, PA.
Orlando, Florida
September 9, 2019



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

To Honorable President and
Members of the Board of Directors
Acceleration Middle Charter School,
a Charter School and Component Unit of the
District School Board of Lee County Florida

Report on the Financial Statements

We have audited the financial statements of the Acceleration Middle Charter School as of and for the year ended June 30, 2019, and have issued our report thereon dated September 9, 2019.

Auditors' Responsibility

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 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 this report which is dated September 9, 2019, should be considered in conjunction with the 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 year findings.

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 Acceleration Middle Charter School.

Financial Condition

Sections 10.854(1)(e)2., Rules of the Auditor General, require that we report the results of our determination as to whether or not the Acceleration Middle Charter 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 Acceleration Middle Charter School did not meet any of the conditions described in Section 218.503(1), Florida Statutes. As of

June 30, 2019, the Board of Directors has elected not to renew their charter agreement with the School Board of Lee County, Florida, and as a result they have ceased operations.

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 Acceleration Middle Charter School. It is management's responsibility to monitor the Acceleration Middle Charter 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 Acceleration Middle Charter School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Acceleration Middle Charter School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. As of June 30, 2019, the Board of Directors elected to terminate their charter agreement with the School Board of Lee County Florida and has deactivated their website.

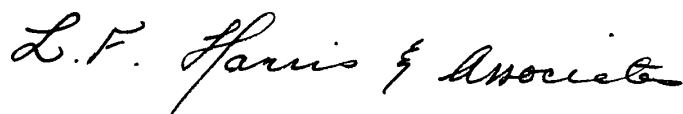
Other Matters

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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the School Board of Lee County, Florida, and is not intended to be and should not be used by anyone other than these specific parties.



L.F. Harris & Associates, CPA, PA
Orlando, Florida
September 9, 2019