

**FLORIDA HIGH SCHOOL FOR ACCELERATED LEARNING –
PALM BEACH COUNTY CAMPUS, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Financial Statements
with Independent Auditor's Reports Thereon**

June 30, 2019



McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY CAMPUS, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management of Florida High School for Accelerated Learning – Palm Beach County Campus, Inc. d/b/a Worthington High 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.

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

FINANCIAL HIGHLIGHTS

- ❖ The School is managed by Accelerated Learning Solutions, Inc. through a management agreement.
- ❖ For the fiscal year ended June 30, 2019, the School had a total net position of approximately \$1,000,000.
- ❖ For the fiscal year ended June 30, 2019, the School’s total expenses exceeded total revenues by approximately \$75,000 on its Statement of Activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to 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 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 School. This document also includes the Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance With *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*.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the School’s finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short 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. The net position is the difference between the School’s total assets and total liabilities. Measuring the 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 those services that the School charges for that 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.

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 assets that can readily be converted into cash flow in and out, and what monies are left at year-end will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources 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 governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations 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. A budgetary comparison schedule has 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, if amended 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.

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.

This report also includes the 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*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

GOVERNMENT-WIDE ANALYSIS OF THE SCHOOL

The School's combined net position as of June 30, 2019 and 2018, respectively is summarized as follows:

	<u>Governmental Activities</u>		
	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Current and other assets	\$ 646,586	\$ 670,994	\$ (24,408)
Capital assets, net	552,619	584,602	(31,983)
Total Assets	<u>1,199,205</u>	<u>1,255,596</u>	<u>(56,391)</u>
Current and other liabilities	188,004	161,794	26,210
Long-term liabilities	23,011	30,474	(7,463)
Total Liabilities	<u>211,015</u>	<u>192,268</u>	<u>18,747</u>
Net position:			
Invested in capital assets, net of related debt	552,619	584,602	(31,983)
Unrestricted	<u>435,571</u>	<u>478,726</u>	<u>(43,155)</u>
Total Net Position	<u>\$ 988,190</u>	<u>\$ 1,063,328</u>	<u>\$ (75,138)</u>

The decrease in current and other assets is due to a decrease in cash due to the year's operating deficit. The decrease in capital assets is a result of the current year depreciation expense. Current liabilities increased due to the increase in management company payables which are based on Florida Education Finance Program revenue which increased in 2019. Long-term liabilities decreased due to amortization of deferred rent. The decrease in total net position is due to the current year operating deficit.

Change in Net Position

The School's total expenses exceeded total revenues by approximately \$75,000 in fiscal 2019 — see table below.

	<u>Governmental Activities</u>		
	<u>2019</u>	<u>2018</u>	<u>Variance</u>
Revenue:			
Contributions and other revenue	\$ 30,453	\$ 30,659	\$ (206)
Total revenues	<u>1,853,111</u>	<u>1,901,769</u>	<u>(48,658)</u>
Expenses:			
Instruction	360,464	307,559	52,905
Pupil personnel services	124,357	142,640	(18,283)
Board	15,081	15,300	(219)
General administration	83,294	83,305	(11)
School administration	851,090	775,321	75,769
Fiscal services	16,860	13,115	3,745
Transportation	33,421	36,309	(2,888)
Operation of plant	426,661	279,160	147,501
Maintenance of plant	17,021	11,515	5,506
Total expenses	<u>1,928,249</u>	<u>1,664,224</u>	<u>264,025</u>
Change in net position	\$ <u>(75,138)</u>	\$ <u>237,545</u>	\$ <u>(312,683)</u>

The decrease in state and local sources is due to the one time local capital improvement revenue that was allocated in the fiscal year 2018. The increase in instructional and school administration expenditures corresponds to an increase in student population. The increase in operation of plant was due to the increase in contracted security services.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As the School completed the year, governmental funds reported a combined fund balance of \$445,648.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2019, the School invested approximately \$553,000 in capital assets, net of accumulated depreciation of approximately \$671,000.

As of June 30, 2019 and 2018, comparative information regarding the School's capital assets is as follows:

	Governmental Activities		Variance
	2019	2018	
Leasehold improvements	\$ 796,714	\$ 796,714	\$ -
Furniture, fixtures, and equipment	427,095	409,291	17,804
	<u>1,223,809</u>	<u>1,206,005</u>	<u>17,804</u>
Less - accumulated depreciation	<u>(671,190)</u>	<u>(621,403)</u>	<u>(49,787)</u>
Total capital assets	<u>\$ 552,619</u>	<u>\$ 584,602</u>	<u>\$ (31,983)</u>

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

In the general fund, budgeted amounts were less than actual revenues by approximately \$99,000, as actual enrollment was higher than budgeted. Actual expenditures were approximately \$198,000 less than budgeted amounts, exclusive of other financing sources (uses).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budget Highlights for the Fiscal Year Ending June 30, 2020

Amounts available for appropriation are approximately \$1,785,000, an increase of approximately \$60,000 from the actual 2019. The change is attributed to management preparing the budgets with an increase in student enrollment.

Budgeted expenditures are expected to be approximately \$1,730,000, an increase of approximately \$5,000 from actual 2019. If these estimates are realized, the School's fund balance is expected to increase at the conclusion of fiscal 2020 by approximately \$4,000.

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 money it receives. Should additional information be required, please contact Accelerated Learning Solutions, Inc., 2636 Elm Hill Pike, Suite 201 Nashville, TN 37214.



Independent Auditor's Report on Basic Financial Statements and Supplementary Information

To the Board of Directors of Florida High School for Accelerated Learning – Palm Beach County Campus, Inc. d/b/a Worthington High School, a Charter School located in Palm Beach County, Florida

We have audited the accompanying financial statements of the governmental activities, and each major fund of Florida High School for Accelerated Learning – Palm Beach County Campus, Inc., d/b/a Worthington High School, a Charter School, 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.

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the School, as of June 30, 2019, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 on pages 1-6 and 28-29 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 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 15, 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 *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

McCrady & Associates, PLLC

Altamonte Springs, Florida
September 15, 2019

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**FLORIDA HIGH SCHOOL FOR ACCELERATED LEARNING -
PALM BEACH COUNTY CAMPUS, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

Statement of Net Position

June 30, 2019

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 613,139
Due from other governmental agencies	20,513
Security deposits	12,934
Capital assets:	
Leasehold improvements	796,714
Furniture, fixtures, and equipment	427,095
Less accumulated depreciation	(671,190)
Total capital assets, net	552,619
Total assets	\$ 1,199,205
LIABILITIES	
Due to management company	\$ 188,004
Deferred rent	23,011
Total liabilities	211,015
NET POSITION	
Invested in capital assets, net of related debt	552,619
Unrestricted	435,571
Total net position	988,190
Total liabilities and net position	\$ 1,199,205

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

**FLORIDA HIGH SCHOOL FOR ACCELERATED LEARNING -
PALM BEACH COUNTY CAMPUS, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

Statement of Activities

For the Year Ended June 30, 2019

	Program Specific Revenues			Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 360,464	\$ -	\$ 9,806	\$ -	\$ (350,658)
Pupil personnel services	124,357	-	-	-	(124,357)
Board	15,081	-	-	-	(15,081)
General administration	83,294	-	-	-	(83,294)
School administration	851,090	-	-	-	(851,090)
Fiscal services	16,860	-	-	-	(16,860)
Transportation	33,421	-	-	-	(33,421)
Operation of plant	426,661	-	-	117,788	(308,873)
Maintenance of plant	17,021	-	-	-	(17,021)
Total primary government	\$ 1,928,249	\$ -	\$ 9,806	\$ 117,788	(1,800,655)
General revenues:					
State and local sources					1,695,064
Contributions and other revenues					30,453
Total general revenues					1,725,517
Changes in net position					(75,138)
Net position at beginning of year					1,063,328
Net position at end of year					\$ 988,190

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

**FLORIDA HIGH SCHOOL FOR ACCELERATED LEARNING -
PALM BEACH COUNTY CAMPUS, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

Balance Sheet - Governmental Funds

June 30, 2019

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 613,139	\$ -	\$ -	\$ 613,139
Due from other governmental agencies	-	10,707	9,806	20,513
Due from other governmental funds	20,513	-	-	20,513
Total assets	\$ 633,652	\$ 10,707	\$ 9,806	\$ 654,165
LIABILITIES				
Due to management company	\$ 188,004	\$ -	\$ -	\$ 188,004
Due to general fund	-	10,707	9,806	20,513
Total liabilities	188,004	10,707	9,806	208,517
FUND BALANCE				
Spendable:				
Unassigned	445,648	-	-	445,648
Total fund balances	445,648	-	-	445,648
Total liabilities and fund balances	\$ 633,652	\$ 10,707	\$ 9,806	\$ 654,165

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

**FLORIDA HIGH SCHOOL FOR ACCELERATED LEARNING -
PALM BEACH COUNTY CAMPUS, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**

June 30, 2019

Total fund balances - governmental funds	\$ 445,648
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets are \$1,223,809 and the accumulated depreciation is \$671,190.	552,619
Non-current assets are not financial resources and, therefore, are not reported as assets in the governmental funds. Non-current assets at year end consists of:	
Security deposits	12,934
Rent deferred and amortized over the life of the lease is not due or payable in the current period and therefore is not reported in the governmental fund.	<u>(23,011)</u>
Total net position - governmental activities	<u>\$ 988,190</u>

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

**FLORIDA HIGH SCHOOL FOR ACCELERATED LEARNING -
PALM BEACH COUNTY CAMPUS, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds**

For the Year Ended June 30, 2019

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Federal sources passed through local school districts	\$ -	\$ -	\$ 9,806	\$ 9,806
State and local sources	1,695,064	117,788	-	1,812,852
Contributions and other revenues	30,453	-	-	30,453
Total revenues	<u>1,725,517</u>	<u>117,788</u>	<u>9,806</u>	<u>1,853,111</u>
EXPENDITURES				
Current:				
Instruction	342,017	-	9,806	351,823
Pupil personnel services	124,357	-	-	124,357
Board	15,081	-	-	15,081
General administration	83,294	-	-	83,294
School administration	851,090	-	-	851,090
Fiscal services	16,860	-	-	16,860
Transportation	33,421	-	-	33,421
Operation of plant	275,190	117,788	-	392,978
Maintenance of plant	17,021	-	-	17,021
Capital outlay	17,804	-	-	17,804
Total expenditures	<u>1,776,135</u>	<u>117,788</u>	<u>9,806</u>	<u>1,903,729</u>
Net changes in fund balances	(50,618)	-	-	(50,618)
Fund balances at beginning of year	496,266	-	-	496,266
Fund balances at end of year	<u>\$ 445,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 445,648</u>

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

**FLORIDA HIGH SCHOOL FOR ACCELERATED LEARNING -
PALM BEACH COUNTYI CAMPUS, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

For the Year Ended June 30, 2019

Net changes in fund balances - total governmental funds	\$	(50,618)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (49,787) exceed capital outlays (\$17,804) in the current period.</p>		(31,983)
<p>Rent payments amortized over the life of the lease are reported as an expenditure in the governmental funds. However, the amounts are deferred on the statement of net position recorded as an other liability.</p>		7,463
Change in net position of governmental activities	\$	<u>(75,138)</u>

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

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH CAMPUS, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

Notes to Financial Statements

For the Year Ended June 30, 2019

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Florida High School For Accelerated Learning – Palm Beach County Campus, Inc., d/b/a Worthington High School (the “School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes and the Florida Not-for-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors the (“Board”), which is composed of four members. The School has retained a management company to operate the School (see Note 6.)

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 Palm Beach County Florida, (the “School Board”). The School meets the definition of a governmental entity under the Governmental Accounting Standards Board (“GASB”).

The School developed a philosophy of recognizing and rewarding each student as an individual. Therefore the education program, goals and objectives, and methods of accountability toward the objectives, must be set according to the situation of each individual student.

The School has selected a self-paced, mastery based, accelerated learning program as the model to implement this philosophy. The goal of the School is to provide, for students that might not be best suited for traditional schools, a school program and educational opportunities. These students include, but are not limited to, drop-outs or those in danger of dropping out, students needing more remedial support or individual instruction than can be obtained in a traditional high school.

Charter Contract

The School operates under a charter granted by the Palm Beach School Board (the “School Board”). The current charter was renewed on June 30, 2016 for an additional ten years. Upon the expiration of the charter, the School Board may elect not to renew the charter under grounds specified in the charter. However, the School Board may terminate the current charter at any time 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 revert to the School Board.

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

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 considered as a governmental organization for financial statement reporting purposes. The School is required by its agreement with the School Board to use the governmental reporting model and follow the fund and accounting structure provided in the “Financial and Program Cost Accounting and Reporting for Florida Schools – The Red Book” issued by the Florida Department of Education (“FDOE”).

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School in a manner similar to a private-sector business. The statement of net position and statement of activities are designed to provide financial information about the School as a whole on an accrual basis of accounting. The statement of net position provides information about the School’s financial position, its assets and its liabilities, using an economic resources measurement focus.

The statement of activities presents a comparison between direct expenses and program revenue for each function or program of the School’s governmental activities. Direct expenses are those specifically associated with a program or function, therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of goods and services offered by the program, grants and contributions that are restricted for meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Fund Financial Statements

The governmental fund financial statements report detailed information about the School’s most significant funds, not the School as a whole. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance related requirements. Certain funds are established by law while others are created by grant agreements. The following are governmental funds reported in the fund financial statements:

- General Fund – the School’s primary operating fund that accounts for all financial resources of the school, except those that are required to be accounted for in another fund.
- Capital Projects Fund – to account for all resources for the acquisition of capital items by the School purchased with capital outlay funds.
- Special Revenue Fund – to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for a specific purpose.

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

For the purpose of these statements, the general and capital projects funds are considered major funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenses/expenditures 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 reported using the accrual basis of accounting. Revenues are recognized when earned and expenses/expenditures 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 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 60 days after the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenues is recognized at the time the expenditure is made.

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 from the acquisition of long-term debt are reported as other financing sources.

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.

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

Cash and Cash Equivalents

The School's cash and cash equivalents consist primarily of demand deposits with financial institutions.

As Florida Statutes and the School's policy require, all deposits must be made into and held by financial institutions designated by the treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by the institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the ability of the institution to guarantee deposits made by members of the pool should the need arise. The School's deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2019.

Interfund receivables and payables

Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. The general fund has recorded a receivable of approximately \$20,500, which is related to the capital projects and other governmental funds, for amounts paid by the general fund on behalf of these funds.

Capital Assets and Depreciation

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

	<u>Years</u>
Leasehold improvements	5 - 20
Furniture, fixtures, and equipment	3 - 5

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

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

Long-Term Liabilities

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

Net Position and Fund Balance Classifications

Government-wide financial statements

The 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 that are specifically attributed to the acquisition or improvement of those assets.
- Restricted – consists of amounts with constraints placed on their use either by external groups such as creditors, grantors, contributors, laws or regulations of other governments. As of June 30, 2019, the School did not have any restricted amounts.
- Unrestricted – all other amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund financial statements

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 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.

This statement also clarifies the definition of the special revenue fund to denote it 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.

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

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 the non-general fund.

Revenue Sources

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

For charter schools with a population of 251 or more students, the difference in the fee calculation and the fee withheld is required to be used for capital outlay purposes. For the year ended June 30, 2019, the School did not have any excess administrative fees.

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

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the year ended June 30, 2019, the School reported 241.85 unweighted FTE.

From time to time, the School receives additional funding under other federal and state grants. This assistance is generally received based on applications submitted to various granting

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

agencies. For federal and state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred.

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

Use of Estimates

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

2 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable level 1 or 2 inputs are not available.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The School's significant financial instruments are cash, accounts receivable, accounts payable, short term borrowings, and other short term assets and liabilities. For these financial instruments (level 1), carrying values approximate fair value because of the short maturity of these instruments.

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

3 DUE FROM OTHER GOVERNMENTAL AGENCIES

Due from other governmental agencies included in the accompanying financial statements includes approximately \$10,700 in capital outlay funds receivable from the School Board. Based on the sources of funds, management has evaluated the collectability and an allowance for doubtful accounts is not considered necessary.

4 CAPITAL ASSETS

Capital asset activity during the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Balance</u>
Capital assets:							
Leasehold improvements	\$ 796,714	\$	-	\$	-	\$	796,714
Furniture, fixtures, and equipment	<u>409,291</u>		<u>17,804</u>		-		<u>427,095</u>
Total capital assets	<u>1,206,005</u>		<u>17,804</u>		-		<u>1,223,809</u>
Accumulated depreciation:							
Leasehold improvements	(227,526)		(41,146)		-		(268,672)
Furniture, fixtures, and equipment	<u>(393,877)</u>		<u>(8,641)</u>		-		<u>(402,518)</u>
Total accumulated depreciation	<u>(621,403)</u>		<u>(49,787)</u>		-		<u>(671,190)</u>
Capital assets, net	<u>\$ 584,602</u>	\$	<u>(31,983)</u>	\$	-	\$	<u>552,619</u>

Depreciation expense:

Instruction	\$ 8,641
Operation of plant	<u>41,146</u>
Total governmental activities depreciation expense	<u>\$ 49,787</u>

Depreciation is allocated to the above expenditures in the accompanying statement of activities.

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

5 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

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

District School Board of Palm Beach County, Florida:

Florida Education Finance Program (FEFP)	\$ 1,070,923
Class size reduction	230,134
Discretionary local efforts	165,858
Capital outlay	117,788
ESE guaranteed allocation	57,497
Supplemental academic instruction	54,215
Transportation	35,728
School recognition	24,845
Instructional materials	18,281
Safe school	13,146
Reading allocation	10,129
Mental health assistance allocation	5,484
Digital classroom allocation	3,678
Miscellaneous local sources	2,126
Lead teacher	1,500
Discretionary lottery funds	811
Best and brightest	709
Total	\$ 1,812,852

The administrative fee paid to the School Board during the year ended June 30, 2019 totaled approximately \$83,300, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

6 MANAGEMENT AND EDUCATION CONTRACTS

Management Contract

The School has entered into a contractual agreement with Accelerated Learning Solutions, Inc., a Tennessee Corporation (“ALS” or the “Company”), to provide management and consulting services to the School in the areas of financial operations, facility and equipment procurement and maintenance, curriculum assessment and evaluation, technology and operational support, human resources and student recruitment.. The management agreement commenced January 2011 for an initial five year term and was renewed in July 2016 for an additional 10 year term. The management agreement is subject to a notice of intent not to renew, which requires an execution of six months prior to its anniversary by either party. Under the terms of the agreement, since the third year of the School’s operations, the School is charged continuing fees for services of eleven percent (11%) of the School’s qualified gross revenues. Qualified gross revenues include various state, federal and local source revenues with certain exceptions. Qualified gross revenues exclude student fees, PTA/PTO income and any state or federal funding that is meant to be a reimbursement of expenditures on a dollar for dollar basis. In addition to the 11% continuing fee, as of June 18, 2014, the School is charged an additional \$23,333 per month for shared costs which include support related to curriculum, information technology, data, statistical, School District, purchasing, payroll, human resources and facilities.

The contract may be terminated by the School for non-renewal of the charter with the School Board and for breaches of contract terms which have not been cured within ninety days of written notice at the time of the contract breach. The contract may be terminated by ALS for fiscal year operating deficits (excluding the first year of operations), failure to pay fees due to ALS, material changes in federal or state funding, or other material breaches of the contract terms by the School which have not been cured within ninety days of written notice at the time of the contract breach.

Education Contract

The School has also entered into a contractual agreement with ALS to provide education services to the School. The agreement commenced January 2011 for an initial five year term and was renewed in July 2016 for an additional 10 year term. The management agreement is subject to a notice of intent not to renew, which requires an execution of six months prior to its anniversary by either party. Under the terms of the agreement, the School is charged fees for services of three percent (3%) of the School’s qualified gross revenues as defined above. In addition, the School must pay ALS all salary and hourly benefit costs of the personnel employed by ALS for the School, and all direct, third party costs incurred by ALS in connection with providing the educational program services.

In return for the above fees the Company shall be responsible for providing the educational program for the School subject to the approval of the School and consistent with the mission set forth in the School’s charter. The Company shall also recruit, select and employ the School’s principal and other personnel deemed necessary by the Company and the School for the School’s operations.

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

The contract may be terminated by the School for non-renewal of the charter with the School Board and for breaches of contract terms which have not been cured within ninety days of written notice at the time of the contract breach. The contract may be terminated by the Company for fiscal year operating deficits (excluding the first year of operations), failure to pay fees due to the Company, material changes in federal or state funding, or other material breaches of contract terms by the School which have not been cured within ninety days of written notice at the time of the contract breach.

Due to Management Company

Due to management company for approximately \$188,000 is included in the accompanying financial statements. The amount due includes June management and education service fees, salaries and benefits, rent, facilities, office and administrative expenses.

7 RISK MANAGEMENT PROGRAM

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

8 COMMITMENTS AND CONTINGENT LIABILITIES

Lease commitment

The School entered into two ten year leases for the facilities of the School. The leases call for monthly payments that vary from \$1,980 to \$13,282. The lease also calls for other charges including applicable taxes. In addition, each lease contains two renewal options for five years each and assignment rights with prior approval of landlord.

Because the leases have varying payment terms over the lease term, the total rent has been allocated to expense evenly on a monthly basis of \$11,909. Since actual payments do not match the straight-line amortization of the rent expense over the life of the lease, deferred rent amounting to \$23,011 is reflected in the statement of net position at June 30, 2019. Rent expense for the year ended June 30, 2019 was \$135,444.

Future minimum lease payments are as follows:

Year ended June 30,	
2020	150,370
2021	150,370
2022	150,370
Thereafter	12,531
Total	<u>\$ 463,641</u>

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

Retirement benefits

The School does not provide post-retirement benefits to retired employees. All employees are employees of the management company and benefits are the management company's sole responsibility.

Grants

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

Management 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 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.

9 RELATED PARTIES

The School is related to Florida High School for Accelerated Learning – Palm Beach Campus, Inc., d/b/a Quantum High School by a common Board of Directors. The Schools share certain board costs throughout the year.

10 INCOME TAXES

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is therefore, 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 2018, 2017, and 2016 income tax returns are subject to examination by tax authorities, and may change upon examination.

**FLORIDA HIGH SCHOOL FOR ACCELERATED
LEARNING – PALM BEACH COUNTY, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

**Notes to Financial Statements
(continued)**

11 SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 15, 2019, which is the date the financial statements were available to be issued.

**FLORIDA HIGH SCHOOL FOR ACCELERATED LEARNING -
PALM BEACH COUNTY CAMPUS, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2019

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Positive (Negative) Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State and local sources	\$ 1,608,429	\$ 1,595,469	\$ 1,695,064	\$ 99,595
Contributions and other revenues	30,995	30,995	30,453	(542)
Total revenues	<u>1,639,424</u>	<u>1,626,464</u>	<u>1,725,517</u>	<u>99,053</u>
EXPENDITURES				
Current:				
Instruction	378,644	379,046	342,017	37,029
Pupil personnel services	139,299	139,404	124,357	15,047
Board	22,000	22,000	15,081	6,919
General administration	48,253	98,253	83,294	14,959
School administration	792,950	891,776	851,090	40,686
Fiscal services	18,000	19,000	16,860	2,140
Transportation	37,050	37,050	33,421	3,629
Operation of plant	187,551	333,118	275,190	57,928
Maintenance of plant	29,520	42,520	17,021	25,499
Capital outlay	11,853	11,853	17,804	(5,951)
Total expenditures	<u>1,665,120</u>	<u>1,974,020</u>	<u>1,776,135</u>	<u>197,885</u>
Net changes in fund balances	(25,696)	(347,556)	(50,618)	296,938
Fund balances at beginning of year	<u>496,266</u>	<u>496,266</u>	<u>496,266</u>	<u>-</u>
Fund balances at end of year	<u>\$ 470,570</u>	<u>\$ 148,710</u>	<u>\$ 445,648</u>	<u>\$ 296,938</u>

**FLORIDA HIGH SCHOOL FOR ACCELERATED LEARNING -
PALM BEACH COUNTY CAMPUS, INC.
d/b/a WORTHINGTON HIGH SCHOOL**

Required Supplementary Information

Budgetary Comparison Schedule Notes - General Fund

For the Year Ended June 30, 2019

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 Florida High School for Accelerated Learning – Palm Beach County Campus, Inc, Inc. d/b/a Worthington High School, a Charter School located in Palm Beach 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 for the Florida High School for Accelerated Learning – Palm Beach County Campus, Inc, Inc. d/b/a Worthington High School, 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, and have issued our report thereon dated September 15, 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 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 School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McCrady & Associates, PLLC

Altamonte Springs, Florida
September 15, 2019

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**Additional Information Required by
Rules of the Auditor General,
Chapter 10.850, *Audits of Charter Schools
and Similar Entities***



**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 Florida High School for Accelerated Learning – Palm Beach County Campus, Inc, d/b/a Worthington High School, a Charter School located in Palm Beach County, Florida

Report on the Financial Statements

We have audited the financial statements of Florida High School for Accelerated Learning-Palm Beach County Campus, Inc., d/b/a Worthington High School (the “School”) as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated September 15, 2019.

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 Reporting Requirements

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 that report, if applicable, which is dated, September 15, 2019, 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 findings or recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5. Rules of the Auditor General, requires the name or official title of the entity be disclosed in this management letter. The official title of the entity is Florida High School for Accelerated Learning - Palm Beach County Campus, Inc, Inc., d/b/a Worthington High School. The School code is 3421.

Financial Condition and Management

Sections 10.854(1)(e)2., and 10.855(11). Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify 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.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate 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.

Additional Matters

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 note 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 Palm Beach County School Board and is not intended to be and should not be used by anyone other than these specified parties.

McCrary & Associates, PLLC

Altamonte Springs, Florida
September 15, 2019

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