

**HILLSBOROUGH ACADEMY OF  
MATH AND SCIENCE  
(A CHARTER SCHOOL UNDER ADVANTAGE  
ACADEMY OF HILLSBOROUGH, INC.)**

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

INDEPENDENT AUDITOR'S REPORT  
*for the fiscal year ended June 30, 2023*

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

---

*Certified Public Accountants*

**THIS PAGE IS INTENTIONALLY BLANK.**

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
A Charter School and Component Unit of the District School Board of Hillsborough County, Florida

***TABLE OF CONTENTS***

	<b><u>PAGE NO.</u></b>
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor’s Report</b>	1
<b>Management’s Discussion and Analysis – (Unaudited)</b>	4
<b>Basic Financial Statements</b>	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	9
Statement of Activities	10
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	14
Notes to Financial Statements	15
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund and Major Special Revenue Fund – (Unaudited)	26
Note to Required Supplementary Information	27
<b>COMPLIANCE AND INTERNAL CONTROL</b>	
<b>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 <i>Government Auditing Standards</i></b>	28
<b>Management Letter</b> as required by Rules of the Florida Auditor General, Chapter 10.850, Florida Statutes, <i>Charter School Audits</i> .	30

---

**Independent Auditor's Report**

To the Board of Directors of the Hillsborough Academy of Math and Science  
(A Charter School under Advantage Academy of Hillsborough, Inc.),  
a Charter School and Component Unit of the  
District School Board of Hillsborough County, Florida

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the Hillsborough Academy of Math and Science (“School”), a charter school under Advantage Academy of Hillsborough, Inc., and a component unit of the District School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, 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.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matter***

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School at June 30, 2023, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of Advantage Academy of Hillsborough, Inc. These financial statements do not purport to and do not present fairly the financial position of Advantage Academy of Hillsborough, Inc., as of June 30, 2023, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 September 22, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's 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.

*King & Walker, CPAs*

September 22, 2023  
Tampa, Florida

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
*A Charter School and Component Unit of the District School Board of Hillsborough County, Florida*  
**MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)**

---

The Management’s Discussion and Analysis (MD&A) section of the annual financial report of the Hillsborough Academy of Math and Science (“School”), a charter school under Advantage Academy of Hillsborough, Inc., provides an overview of the School’s financial activities for the fiscal year ended June 30, 2023.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School’s financial statements and notes to financial statements, as listed in the table of contents.

**FINANCIAL HIGHLIGHTS**

- For the fiscal year ended June 30, 2023, the School’s expenses exceeded revenues as shown on the School’s statement of activities by \$987,090.
- As shown on the statement of net position, the School reported an unrestricted net position balance of \$1,072,669.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements consist of three components:

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

**Government-Wide Financial Statements**

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

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
*A Charter School and Component Unit of the District School Board of Hillsborough County, Florida*  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

---

**Fund Financial Statements**

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

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

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates the following funds: a General Fund to account for its general operations, a Capital Projects Fund to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays, and a Special Revenue Fund to account for Federal grants and internal account activities. The School elected to present all funds as major.

The School adopts annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Major Special Revenue Fund to demonstrate compliance with the budgets.

**Notes to Financial Statements**

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



**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
*A Charter School and Component Unit of the District School Board of Hillsborough County, Florida*  
**MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)**

---

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	<b>Net Position, End of Year</b>		
	<u>Governmental Activities</u>		Increase (Decrease)
	<u>6-30-22</u>	<u>6-30-23</u>	
<b>ASSETS</b>			
Current and Other Assets	\$ 3,100,408	\$ 1,612,786	\$ (1,487,622)
Capital Assets, Net	15,824,491	15,785,478	(39,013)
Total Assets	<u>18,924,899</u>	<u>17,398,264</u>	<u>(1,526,635)</u>
<b>LIABILITIES</b>			
Current Liabilities	641,424	464,377	(177,047)
Noncurrent Liabilities	15,377,290	15,014,792	(362,498)
Total Liabilities	<u>16,018,714</u>	<u>15,479,169</u>	<u>(539,545)</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	447,201	770,686	323,485
Restricted	91,494	75,740	(15,754)
Unrestricted	<u>2,367,490</u>	<u>1,072,669</u>	<u>(1,294,821)</u>
Total Net Position	<u>\$ 2,906,185</u>	<u>\$ 1,919,095</u>	<u>\$ (987,090)</u>

The assets of the School primarily consist of cash and cash equivalents, amounts due from other agencies, and the School’s investment in capital assets, consisting of leasehold improvements, furniture, fixtures, and equipment, and a leased asset - building, net of accumulated depreciation/amortization. Current liabilities primarily consist of salaries and benefits payable and vendor accounts payable. Noncurrent liabilities consist of a long-term lease liability.

For the fiscal year ended June 30, 2023, total net position balance amounted to \$1,919,095, a decrease of \$987,090 over the prior fiscal year.

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
*A Charter School and Component Unit of the District School Board of Hillsborough County, Florida*  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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

	<b>Operating Results for the Year</b>		
	<u>Governmental Activities</u>		
	<u>6-30-22</u>	<u>6-30-23</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>			
Federal Through State and Local State	\$ 1,101,362	\$ 811,866	\$ (289,496)
Local and Other and Contributions	6,386,842	6,811,266	424,424
	514,851	600,771	85,920
<b>Total Revenues</b>	<u>8,003,055</u>	<u>8,223,903</u>	<u>220,848</u>
<b>Expenses:</b>			
Instruction	3,800,348	3,674,272	(126,076)
Student Support Services	90,649	128,167	37,518
Instruction & Curriculum Development	82,334	148,195	65,861
Instructional Staff Training	15,721	15,344	(377)
Instructional Related Technology	85,525	106,532	21,007
Board	37,157	46,565	9,408
General Administration	364,395	405,333	40,938
School Administration	452,222	521,284	69,062
Facilities Acquisition & Construction	1,601	13,524	11,923
Fiscal Services	319,031	339,644	20,613
Food Services	4,426	-	(4,426)
Central Services	7,974	9,873	1,899
Student Transportation	74,054	107,234	33,180
Operation of Plant	388,387	491,011	102,624
Maintenance of Plant	124,671	174,967	50,296
Administrative Technology Services	544	1,607	1,063
Community Service	256,341	256,902	561
Debt Service - Interest	948,098	949,583	1,485
Unallocated Depreciation/Amoritzation	399,463	466,806	67,343
Special Item - Intercompany Transfer Out	-	1,354,150	1,354,150
<b>Total Expenses</b>	<u>7,452,941</u>	<u>9,210,993</u>	<u>1,758,052</u>
<b>Increase/(Decrease) in Net Position</b>	<u>\$ 550,114</u>	<u>\$ (987,090)</u>	<u>\$ (1,537,204)</u>

The largest revenue source for the School is the State of Florida (83%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the School. The School also received funding under Federal grants amounting to 10% of total revenue. The largest concentrations of expenses were for instruction related functions (45%), debt service interest (12%), and facility costs (8%).

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
*A Charter School and Component Unit of the District School Board of Hillsborough County, Florida*  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

---

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

**Governmental Funds**

As the School completed the year, its governmental funds reported a combined fund balance of \$1,148,409.

**BUDGETARY HIGHLIGHTS**

The budgets for each fund for the fiscal year ended June 30, 2023, were developed based on the School's anticipated revenues and expenditures, the expected student population for the school year, and Federal grant programs for the school year. For the fiscal year ended June 30, 2023, the actual expenditures were equal to the final budgets. Refer to the Budgetary Comparison Schedule for additional information.

**CAPITAL ASSETS**

The School's capital assets for its governmental activities as of June 30, 2023, amounts to \$15,785,478 (net of accumulated depreciation/amortization). This investment in capital assets includes furniture, fixtures, and equipment, leasehold improvements, and a leased asset - building. Additional information regarding the School's capital assets can be found in the notes to the financial statements.

**DEBT**

The School entered into a long-term lease for its School educational facility through June 30, 2041. This lease has been reported as long-term debt under guidance from GASB 87 in the original amount of \$15,709,270. The long-term lease payable ends June 30, 2041. Additional information regarding long-term debt can be found in the notes to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the School in fiscal year 2023-24 include:

- Continued funding from FEFP.
- Expected increase in enrollment.

**REQUESTS FOR INFORMATION**

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

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**

*June 30, 2023*

	<u>Government Activities</u>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 532,177
Due From Other Agencies	874,686
Accounts Receivable	57,351
Prepaid Items & Deposits	148,572
Capital Assets:	
Leasehold Improvements, Net	391,643
Furniture, Fixtures, and Equipment, Net	379,043
Leased Asset - Building, Net	15,014,792
Total Capital Assets	<u>15,785,478</u>
<b>TOTAL ASSETS</b>	<u><u>17,398,264</u></u>
<b>LIABILITIES</b>	
Salaries and Benefits Payable	374,532
Accounts Payable	89,845
Noncurrent Liabilities:	
Due Within One Year:	
Long-term Lease Payable	396,129
Due After One Year:	
Long-term Lease Payable	14,618,663
<b>TOTAL LIABILITIES</b>	<u><u>15,479,169</u></u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	770,686
Restricted	75,740
Unrestricted	1,072,669
<b>TOTAL NET POSITION</b>	<u><u>\$ 1,919,095</u></u>

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

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2023*

		Program Revenues			Net (Expenses)
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes Net Position Governmental Activities	
Governmental Activities:					
Instruction	\$ 3,674,272	\$ -	\$ 664,032	\$ -	\$ (3,010,240)
Student Support Services	128,167	-	3,983	-	(124,184)
Instruction & Curriculum Development	148,195	-	106,396	-	(41,799)
Instructional Staff Training	15,344	-	1,381	-	(13,963)
Instructional Related Technology	106,532	-	15,878	-	(90,654)
Board	46,565	-	-	-	(46,565)
General Administration	405,333	-	-	-	(405,333)
School Administration	521,284	-	9,823	-	(511,461)
Facilities Acquisition & Construction	13,524	-	-	-	(13,524)
Fiscal Services	339,644	-	-	-	(339,644)
Central Services	9,873	-	-	-	(9,873)
Student Transportation	107,234	-	-	-	(107,234)
Operation of Plant	491,011	-	4,256	-	(486,755)
Maintenance of Plant	174,967	-	5,041	-	(169,926)
Administrative Technology Services	1,607	-	1,076	-	(531)
Community Service	256,902	130,532	-	-	(126,370)
Debt Service - Interest	949,583	-	-	468,445	(481,138)
Unallocated Depreciation/Amortization	466,806	-	-	-	(466,806)
<b>Total Governmental Activities</b>	<b>\$ 7,856,843</b>	<b>\$ 130,532</b>	<b>\$ 811,866</b>	<b>\$ 468,445</b>	<b>(6,446,000)</b>
General Revenue					
State Sources					6,342,821
Local and Other Contributions					270,291
Contributions					199,948
<i>Special Item</i> - Intercompany Transfer Out					(1,354,150)
Total General Revenues					5,458,910
Change in Net Position					(987,090)
Net Position - July 1, 2022					2,906,185
Net Position - June 30, 2023					\$ 1,919,095

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

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

*June 30, 2023*

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 454,797	\$ 77,380	\$ -	\$ 532,177
Due From Other Agencies	-	823,352	51,334	874,686
Accounts Receivable	57,351	-	-	57,351
Prepaid Items & Deposits	147,177	1,395	-	148,572
Due from Other Funds	876,326	-	-	876,326
Total Assets	\$ 1,535,651	\$ 902,127	\$ 51,334	\$ 2,489,112
<b>LIABILITIES</b>				
Salaries and Benefits Payable	\$ 374,532	\$ -	\$ -	\$ 374,532
Accounts Payable	89,845	-	-	89,845
Due to Other Funds	-	824,992	51,334	876,326
Total Liabilities	464,377	824,992	51,334	1,340,703
<b>FUND BALANCES</b>				
Nonspendable	147,177	1,395	-	148,572
Restricted for Internal Accounts	-	75,740	-	75,740
Unassigned	924,097	-	-	924,097
Total Fund Balances	1,071,274	77,135	-	1,148,409
Total Liabilities and Fund Balances	\$ 1,535,651	\$ 902,127	\$ 51,334	\$ 2,489,112

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

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

*June 30, 2023*

<b>Total Fund Balances - Governmental Funds</b>	\$ 1,148,409
---	--------------

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

Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.	15,785,478
--	------------

Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.

Long-term Lease Payable	<u>(15,014,792)</u>
-------------------------	---------------------

<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 1,919,095</u></u>
---	----------------------------

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

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**

*For the Fiscal Year Ended June 30, 2023*

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>				
Intergovernmental:				
Federal Through State and Local State	\$ 12,620	\$ 785,722	\$ 13,524	\$ 811,866
State	6,342,821	-	468,445	6,811,266
Local and Other	282,044	118,779		400,823
Contributions	199,948	-		199,948
<b>Total Revenues</b>	<b>6,837,433</b>	<b>904,501</b>	<b>481,969</b>	<b>8,223,903</b>
<b>Expenditures</b>				
Current - Education:				
Instruction	3,298,563	375,709	-	3,674,272
Student Support Services	124,184	3,983	-	128,167
Instruction & Curriculum Development	41,799	106,396	-	148,195
Instructional Staff Training	13,963	1,381	-	15,344
Instructional Related Technology	90,654	15,878	-	106,532
Board	46,565	-	-	46,565
General Administration	405,333	-	-	405,333
School Administration	511,461	9,823	-	521,284
Facilities Acquisition & Construction	-	-	13,524	13,524
Fiscal Services	339,644	-	-	339,644
Central Services	9,873	-	-	9,873
Student Transportation	107,234	-	-	107,234
Operation of Plant	486,755	4,256	-	491,011
Maintenance of Plant	169,926	5,041	-	174,967
Administrative Technology Services	531	1,076	-	1,607
Community Service	123,764	133,138	-	256,902
Fixed Capital Outlay:				
Facilities Acquisition & Construction	100,779	-	-	100,779
Other Capital Outlay	22,097	304,917	-	327,014
Debt Service:				
Principal	233,077	-	129,421	362,498
Interest	610,559	-	339,024	949,583
<b>Total Expenditures</b>	<b>6,736,761</b>	<b>961,598</b>	<b>481,969</b>	<b>8,180,328</b>
Excess/(Deficiency) of Revenues Over Expenditures	100,672	(57,097)	-	43,575
Other Financing Sources (Uses):				
Special Item - Intercompany Transfer	(1,354,150)			(1,354,150)
Transfers In/(Out)	(42,738)	42,738	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,396,888)</b>	<b>42,738</b>	<b>-</b>	<b>(1,354,150)</b>
<b>Net Change in Fund Balances</b>	<b>(1,296,216)</b>	<b>(14,359)</b>	<b>-</b>	<b>(1,310,575)</b>
Fund Balances, July 1, 2022	2,367,490	91,494	-	2,458,984
<b>Fund Balances, June 30, 2023</b>	<b>\$ 1,071,274</b>	<b>\$ 77,135</b>	<b>\$ -</b>	<b>\$ 1,148,409</b>

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



**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2023*

**Net Change in Fund Balances - Governmental Funds** \$ (1,310,575)

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

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.

	427,793	
Capital Outlays		
Depreciation/Amortization Expense	(466,806)	(39,013)

The repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.

362,498

**Change in Net Position - Governmental Activities** **\$ (987,090)**

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

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

➤ **Reporting Entity**

Hillsborough Academy of Math and Science (“School”), a charter school under Advantage Academy of Hillsborough, Inc., and is a component unit of the District School Board of Hillsborough County, Florida. The School’s charter is held by Advantage Academy of Hillsborough, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of Advantage Academy of Hillsborough, Inc., as of June 30, 2023, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Hillsborough County, Florida, (“District”). On June 11, 2018, the charter was renewed for 15 years through June 30, 2033. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

➤ **Basis of Presentation**

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

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

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

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

The School's major governmental funds are as follows:

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

➤ **Basis of Accounting**

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

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of 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, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Cash and Cash Equivalents**

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

The School's deposits are placed with banks and savings and loans qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 years
Leasehold Improvements	10-20 years
Leased Asset - Building	20 years

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

➤ **Long-term Debt**

Long-term obligations that will be financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund. Current-year information relative to changes in long-term debt is described in subsequent notes.

➤ **Deferred Outflows/Inflows of Resources**

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

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

➤ **Net Position and Fund Balance Classification**

*Government-wide Financial Statements*

Net Position are classified and reported in three components:

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

*Fund Financial Statements*

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

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

- 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.

➤ **Order of Fund Balance Spending Policy**

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

➤ **Revenue Sources**

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

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

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2023, the School reported 846.14 unweighted FTE and 899.1503 weighted FTE. Weighted funding is 8.33% of total FEFP funding.

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

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

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

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales, and local property tax collections.

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

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

➤ **Income Taxes**

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

➤ **Use of Estimates**

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

➤ **Subsequent Events**

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

**2. CASH DEPOSITS**

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

**3. DUE FROM OTHER AGENCIES**

Amounts Due from Other Agencies included in the accompanying Statement of Net Position and Balance Sheet – Governmental Funds consists of an amounts due from the Hillsborough County District School Board for grant expenditures awaiting reimbursement, as well as an amount due from the Florida Department of Education under the Charter School Capital Outlay Program recorded in the Capital Projects Fund. These receivables are considered to be fully collectible and as such, no allowance for uncollectible accounts has been established.

**4. ACCOUNTS RECEIVABLE – RELATED PARTY**

Included in the accounts receivable balance reported in the statement of net position and the balance sheet – governmental funds, the School reported a receivable of \$57,351 as a result of money advanced for shared expenses awaiting reimbursement from Advantage Academy of Hillsborough, Inc. (\$17,178), the School's charter-holder, Advantage



**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

Academy of Hillsborough (\$361), Bell Creek High (\$451), Channelside Academy of Math and Science (\$2,159), Independence Academy (\$426), Orange County Preparatory Academy (\$215), Riverview Academy of Math and Science (\$4,071), Riverview Academy High (\$309), and Sunlake Academy of Math and Science (\$5,286), charter schools operated under the same charter-holder, and Viera Charter School (\$6,329) and Pinellas Academy of Math and Science (\$823), charter schools under the same management company. The School also reported a receivable of \$19,743 due from Advantage Academy of Miami, Inc., an organization operated by the School's management company. The School expects to receive full payment within one year from the financial statement date and no allowance for uncollectible accounts has been established.

**5. CHANGES IN CAPITAL ASSETS**

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Leasehold Improvements	\$ 402,116	\$ 100,779	\$ -	\$ 502,895
Furniture, Fixtures and Equipment	366,017	327,014		693,031
Leased Asset - Building	15,709,270	-		15,709,270
Total Capital Assets	<u>16,477,403</u>	<u>427,793</u>	<u>-</u>	<u>16,905,196</u>
Less Accumulated Depreciation/Amortization for:				
Leasehold Improvements	(70,201)	(41,051)		(111,252)
Furniture, Fixtures and Equipment	(250,731)	(63,257)		(313,988)
Leased Asset - Building	(331,980)	(362,498)		(694,478)
Total Accumulated Depreciation/Amortization	<u>(652,912)</u>	<u>(466,806)</u>	<u>-</u>	<u>(1,119,718)</u>
Governmental Activities Capital Assets, net	<u>\$ 15,824,491</u>	<u>\$ (39,013)</u>	<u>\$ -</u>	<u>\$ 15,785,478</u>

Depreciation/amortization expense was shown as unallocated on the Statement of Activities.

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2023, the School's Special Revenue Fund and Capital Projects Fund owed the General Fund \$824,992 and \$51,334, respectively, for expenditures awaiting disbursement. The General Fund transferred \$42,738 to the Special Revenue Fund for grant operations. The amounts of interfund receivables, payables, and transfers are netted together and not reported in the statement of net position or the statement of activities.

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**7. ACCOUNTS PAYABLE - RELATED PARTY**

Accounts payable as reported in the accompanying statement of net position and balance sheet – governmental funds includes accrued liabilities of \$17,275 for goods or services provided by vendors and amounts payable to Bell Creek Academy (\$1,945) and Valrico Lake Advantage Academy (\$13,316), charter schools under the same charter holder, and The Charter School at Waterstone (\$728) and Advantage Academy of Broward (\$1,286), charter schools operated by the same management company.

**8. LONG-TERM LEASE PAYABLE**

The School leases its educational facility under a noncancelable lease through June 2041. The lease requires monthly payments and includes annual increases in accordance with the agreement. In accordance with the agreement, the School is responsible for all operating charges and insurance and is to maintain the premises at its own expense. The fair value of the leased asset is \$15,709,270. Amortization of the leased asset recorded under this lease is included with depreciation/amortization expense in the accompanying financial statements.

Future minimum lease payments and the present value of the minimum lease payments as of June 30 are as follows:

Fiscal Year	Total	Principal	Interest
Ending June 30			
2024	\$ 1,286,241	\$ 396,129	\$ 890,112
2025	1,297,303	431,933	865,370
2026	1,308,460	470,043	838,417
2027	1,319,713	510,602	809,111
2028	1,331,063	553,762	777,301
2029-33	6,829,005	3,519,108	3,309,897
2034-38	7,127,748	5,093,782	2,033,966
2039-41	4,425,457	4,039,433	386,024
Total	\$ 24,924,990	\$ 15,014,792	\$ 9,910,198

The imputed interest rate is 6 percent.

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
<b>GOVERNMENTAL ACTIVITIES:</b>					
Long-Term Lease Liability	\$ 15,377,290	\$ -	\$ (362,498)	\$ 15,014,792	\$ 396,129
Total Governmental Activities	<u>\$ 15,377,290</u>	<u>\$ -</u>	<u>\$ (362,498)</u>	<u>\$ 15,014,792</u>	<u>\$ 396,129</u>

**10. SCHEDULE OF STATE REVENUE SOURCES**

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

Source	Amount
Florida Education Finance Program	\$ 5,495,805
Categorical Programs:	
Class Size Reduction	846,496
Charter School Capital Outlay	468,445
Miscellaneous	520
Total State Revenue	<u>\$ 6,811,266</u>

As provided in the charter school contract, the District has charged the School an administrative fee totaling \$36,239

**11. SCHOOL FOOD SERVICE AGREEMENT**

In July 2017, the School entered into an agreement with Advantage Academy of Miami, Inc., an organization operated by the School's management company, to operate the School's food service operations. The School incurs no cost and no revenue is received for food service operations.

**12. RETIREMENT PLAN**

The School participates in a defined contribution tax sheltered annuity 401(k) plan for its full-time employees. Contributions made by the School totaled \$8,607 for the year ended June 30, 2023, which were computed at 1.5% of employee's deferral of wages for each participating employee. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices. Therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly the present value of the related benefits is not reflected in these financial statements. The School's Board of Directors sets the plan contribution rate annually.

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

**13. OPERATING AGREEMENT**

The School entered into a management contract with Charter School Associates (CSA). The contract calls for CSA to provide the School with marketing, curriculum design and implementation; student and staff recruiting; principal selection; and general management of the School's operations. An annual fee is to be 10% of the School's gross operating revenue (FEFP funds and Public Charter School Program funds, if applicable) less the School's administrative fee and a development fee of \$200 per student for the first three years of operation, to be paid in monthly installments. Fees under this agreement incurred to CSA during the fiscal year amounted to \$704,415.

**14. RISK MANAGEMENT PROGRAMS**

The School is exposed to various risks of loss related to torts; theft of, damage to, and of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**15. COMMITMENTS AND CONTINGENT LIABILITIES**

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2023, may be impaired.

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

**16. FUNDING AND CREDIT RISK CONCENTRATIONS**

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

**17. 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.

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND MAJOR SPECIAL REVENUE FUND (UNAUDITED)**  
*For the Fiscal Year Ended June 30, 2023*

	General Fund				Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>								
Intergovernmental:								
Federal Through State and Local State	\$ -	\$ 12,620	\$ 12,620	\$ -	\$ 412,923	\$ 785,722	\$ 785,722	\$ -
Local and Other	6,728,457	6,342,821	6,342,821	-	-	-	-	-
Contributions	235,167	282,044	282,044	-	81,120	118,779	118,779	-
Total Revenues	<u>65,000</u>	<u>199,948</u>	<u>199,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>7,028,624</u>	<u>6,837,433</u>	<u>6,837,433</u>	<u>-</u>	<u>494,043</u>	<u>904,501</u>	<u>904,501</u>	<u>-</u>
<b>Expenditures:</b>								
Current - Education:								
Instruction	3,434,742	3,298,563	3,298,563	-	278,867	375,709	375,709	-
Student Support Services	101,854	124,184	124,184	-	4,737	3,983	3,983	-
Instruction & Curriculum Development	32,206	41,799	41,799	-	115,458	106,396	106,396	-
Instructional Staff Training	12,910	13,963	13,963	-	-	1,381	1,381	-
Instructional Related Technology	81,578	90,654	90,654	-	1,077	15,878	15,878	-
Board	58,000	46,565	46,565	-	-	-	-	-
General Administration	371,621	405,333	405,333	-	-	-	-	-
School Administration	518,278	511,461	511,461	-	9,823	9,823	9,823	-
Fiscal Services	336,220	339,644	339,644	-	-	-	-	-
Food Services	8,300	-	-	-	-	-	-	-
Central Services	2,095	9,873	9,873	-	-	-	-	-
Student Transportation	600,318	107,234	107,234	-	-	-	-	-
Operation of Plant	111,000	486,755	486,755	-	1,884	4,256	4,256	-
Maintenance of Plant	1,000	169,926	169,926	-	-	5,041	5,041	-
Administrative Technology Services	-	531	531	-	-	1,076	1,076	-
Community Service	154,041	123,764	123,764	-	89,477	133,138	133,138	-
Fixed Capital Outlay:								
Facilities Acquisition & Construction	-	100,779	100,779	-	-	-	-	-
Other Capital Outlay	-	22,097	22,097	-	-	304,917	304,917	-
Debt Service:								
Principal	184,137	233,077	233,077	-	-	-	-	-
Interest	482,355	610,559	610,559	-	-	-	-	-
Total Expenditures	<u>6,490,655</u>	<u>6,736,761</u>	<u>6,736,761</u>	<u>-</u>	<u>501,323</u>	<u>961,598</u>	<u>961,598</u>	<u>-</u>
Excess (Deficiency) of Revenues								
Over Expenditures	<u>537,969</u>	<u>100,672</u>	<u>100,672</u>	<u>-</u>	<u>(7,280)</u>	<u>(57,097)</u>	<u>(57,097)</u>	<u>-</u>
Other Financing Sources (Uses):								
Special Item - Intercompany Transfer	-	(1,354,150)	(1,354,150)	-	-	-	-	-
Transfers In/(Out)	35,804	(42,738)	(42,738)	-	-	42,738	42,738	-
Total Other Financing Sources (Uses)	<u>35,804</u>	<u>(1,396,888)</u>	<u>(1,396,888)</u>	<u>-</u>	<u>-</u>	<u>42,738</u>	<u>42,738</u>	<u>-</u>
Net Change in Fund Balances	573,773	(1,296,216)	(1,296,216)	-	(7,280)	(14,359)	(14,359)	-
Fund Balances, July 1, 2022	2,367,490	2,367,490	2,367,490	-	91,494	91,494	91,494	-
Fund Balances, June 30, 2023	<u>\$ 2,941,263</u>	<u>\$ 1,071,274</u>	<u>\$ 1,071,274</u>	<u>\$ -</u>	<u>\$ 84,214</u>	<u>\$ 77,135</u>	<u>\$ 77,135</u>	<u>\$ -</u>

See Independent Auditor's Report

**HILLSBOROUGH ACADEMY OF MATH AND SCIENCE**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF HILLSBOROUGH, INC.)**

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

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2023**

**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.

---

**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***

**Independent Auditor's Report**

To the Board of Directors of the Hillsborough Academy of Math and Science  
(A Charter School under Advantage Academy of Hillsborough, Inc.),  
a Charter School and Component Unit of the  
District School Board of Hillsborough County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hillsborough Academy of Math and Science ("School"), a charter school under Advantage Academy of Hillsborough, Inc., and a component unit of the District School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2023, 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 22, 2023.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

## **Report on 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 financial statements. 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.

*King & Walker, CPAs*

September 22, 2023  
Tampa, Florida



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

To the Board of Directors of the Hillsborough Academy of Math and Science  
(A Charter School under Advantage Academy of Hillsborough, Inc.),  
a Charter School and Component Unit of the  
District School Board of Hillsborough County, Florida

**Report on the Financial Statements**

We have audited the financial statements of the Hillsborough Academy of Math and Science (“School”), a charter school under Advantage Academy of Hillsborough, Inc., and a component unit of the District School Board of Hillsborough County, Florida, as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 22, 2023.

**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 those reports and schedule, which are dated September 22, 2023, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Hillsborough Academy of Math and Science, 296671.

## **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 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 have any such findings.

## **Purpose of this Letter**

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

Respectfully submitted,

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

September 22, 2023  
Tampa, Florida