

**BROOKS DEBARTOLO CHARITIES, INC.  
d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

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

**June 30, 2019**



**McCRADY & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS**

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**BROOK DEBARTOLO CHARITIES, INC.**  
**d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Management of Brooks DeBartolo Collegiate 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. Readers are encouraged to use this information in conjunction with information furnished in the School's financial statements. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and other supplemental information.

**FINANCIAL AND OTHER HIGHLIGHTS**

- ❖ For the fiscal year ended June 30, 2019, the School's revenues exceeded expenses by approximately \$49,000 in its government-wide financial statements which is a big improvement over prior year.
- ❖ The School continues to be financially strong with a net position of \$15,212,809.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements 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 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 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. Net position is the difference between the School's total assets and total liabilities. Measuring net position is one way to evaluate the School's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include the School's basic services. The business-type activities are 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 a reconciliation that is a part of the fund financial statements.

The School adopts an annual budget for its general fund, as required by the Florida Statutes. The budget is legally adopted by management of the School and its Board. A budgetary comparison schedule has been included as part of the required supplementary information. The budgetary comparison schedule shows 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.

## GOVERNMENT-WIDE ANALYSIS OF THE SCHOOL

### Net Position

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

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
<b>Assets:</b>			
Current assets	\$ 1,206,396	\$ 669,777	\$ 536,619
Capital assets, net	<u>14,305,939</u>	<u>14,681,252</u>	<u>(375,313)</u>
Total assets	<u>15,512,335</u>	<u>15,351,029</u>	<u>161,306</u>
<b>Liabilities:</b>			
Current liabilities	277,691	163,791	113,900
Other liabilities	<u>21,835</u>	<u>23,426</u>	<u>(1,591)</u>
Total liabilities	<u>299,526</u>	<u>187,217</u>	<u>112,309</u>
<b>Net Position:</b>			
Investment in capital assets, net of related debt	14,284,104	14,657,826	(373,722)
Unrestricted	<u>928,705</u>	<u>505,986</u>	<u>422,719</u>
Total net position	<u>\$ 15,212,809</u>	<u>\$ 15,163,812</u>	<u>\$ 48,997</u>

The change in current assets is due to an increase in cash and cash equivalents which is due to increased state funding. The net decrease in capital assets is a result of current year depreciation expense exceeding capital additions. Current liabilities increased due to the school's first time participation in a dual enrollment program with Hillsborough Community College (HCC). Under the program, the School is responsible for payment of tuition determined by HCC.

## Change in Net Position

The School's total revenues exceeded total expenses by approximately \$49,000 in fiscal 2019—see table below.

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
<b>Revenues:</b>			
State and local sources	\$ 4,202,451	\$ 3,867,435	\$ 335,016
Contributions and other revenue	446,107	406,899	39,208
Total revenues	<u>4,648,558</u>	<u>4,274,334</u>	<u>374,224</u>
<b>Expenses:</b>			
Instruction	2,293,785	2,218,058	75,727
Pupil personnel services	117,336	143,205	(25,869)
Media services	363	370	(7)
Instructional staff training	5,352	3,751	1,601
Instructional related technology	216,303	202,286	14,017
Board	50,717	39,410	11,307
General administration	31,880	31,534	346
School administration	632,930	711,763	(78,833)
Fiscal services	12,819	8,341	4,478
Food services	160,461	141,384	19,077
Transportation	11,022	14,290	(3,268)
Operation of plant	483,379	424,625	58,754
Community services	189,106	184,115	4,991
Interest	6,536	7,195	(659)
Unallocated depreciation	387,572	385,464	2,108
Total expenses	<u>4,599,561</u>	<u>4,515,791</u>	<u>83,770</u>
Change in net position	<u>\$ 48,997</u>	<u>\$ (241,457)</u>	<u>\$ 290,454</u>

The increase in state and local sources is due to an increase in FTE funding, which is based on student enrollment, and an increase in state revenues for capital outlay. There is also an increase in contributions in the current year.

The School's instructional expenses increased in the current year due to increased student enrollment. The decrease in school administration expenses was due to a decrease in administrative salaries and purchased services related to technology. Operation of plant increased due to increased security services. All other functional expenses remained consistent with prior year.

## FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As the School completed the year, its governmental funds reported a combined fund balance of \$928,705.

### General Fund Budgetary Highlights

Generally, budget amendments fall into one of the three categories: 1) amendments made to adjust the estimates used to prepare the original budget once exact information is available, 2) amendments made to recognize changes in funding amounts, and 3) changes in appropriations that become necessary to maintain services. During the fiscal year, the School did not amend its budget.

In the general fund, actual revenue and expense were consistent with prior year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of fiscal 2019, the School invested approximately \$14.3 million in capital assets, net of accumulated depreciation of approximately \$3.1 million.

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

	<u>2019</u>	<u>2018</u>	<u>Variance</u>
<b>Capital assets</b>			
Land	\$ 1,975,000	\$ 1,975,000	\$ -
Buildings and improvements	14,524,927	14,524,927	-
Furniture, fixtures and equipment	<u>865,038</u>	<u>852,779</u>	<u>12,259</u>
Total	17,364,965	17,352,706	12,259
Less – accumulated depreciation	<u>(3,059,026)</u>	<u>(2,671,454)</u>	<u>(387,572)</u>
Total capital assets	<u>\$ 14,305,939</u>	<u>\$ 14,681,252</u>	<u>\$ (375,313)</u>

This year the school's major capital additions were:

Security camera equipment - \$12,259

More detailed information about the School's capital assets is presented in Note 3 to the financial statements.

**Other liabilities**

Other liabilities had a net decrease by approximately \$1,600 due to payments on the line of credit in the current year. The balance at June 30, 2019 was \$21,835. Interest paid during fiscal year June 30, 2019 was approximately \$6,500. More detailed information about the School's other liabilities is presented in Note 5 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET****Budget Highlights for the Fiscal Year Ended June 30, 2020**

Amounts available for appropriation are approximately \$4.4 million, which is approximately \$200,000 less than fiscal 2019 revenues. Budgeted expenditures, before other financing sources, are expected to be approximately \$4.4 million. The School added no new programs to the fiscal 2020 budget. If these estimates are realized, the School's fund balance is expected to remain unchanged at the end of fiscal 2020.

**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 the School's administrative offices at 10948 N. Central Avenue Tampa, FL 33612.



McCRAZY & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

To the Board of Directors of Brooks DeBartolo Charities, Inc.,  
d/b/a Brooks DeBartolo Collegiate High School, a Charter School  
and Component Unit of the District School Board of Hillsborough County, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Brooks DeBartolo Charities, Inc., d/b/a Brooks DeBartolo Collegiate High School (the "School"), a charter school and component unit of the District School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### 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, the major funds, and the aggregate remaining fund information 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 27 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 18, 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.

*McCrary & Associates, PLLC*

Altamonte Springs, Florida  
September 18, 2019

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**BROOKS DEBARTOLO CHARITIES, INC.**  
**d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Statement of Activities**

For the Year Ended June 30, 2019

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Instruction	\$ 2,293,785	\$ -	\$ -	\$ -	\$ (2,293,785)	\$ (2,293,785)
Pupil personnel services	117,336	-	-	-	(117,336)	(117,336)
Media services	363	-	-	-	(363)	(363)
Instructional staff training	5,352	-	-	-	(5,352)	(5,352)
Instructional-related technology	216,303	-	-	-	(216,303)	(216,303)
Board	50,717	-	-	-	(50,717)	(50,717)
General administration	31,880	-	-	-	(31,880)	(31,880)
School administration	632,930	-	-	-	(632,930)	(632,930)
Fiscal services	12,819	-	-	-	(12,819)	(12,819)
Food services	160,461	-	-	-	(160,461)	(160,461)
Transportation	11,022	-	-	-	(11,022)	(11,022)
Operation of plant	483,379	-	-	184,063	(299,316)	(299,316)
Community services	189,106	-	-	-	(189,106)	(189,106)
Interest	6,536	-	-	-	(6,536)	(6,536)
Unallocated depreciation	387,572	-	-	-	(387,572)	(387,572)
<b>Total primary government</b>	<b>\$ 4,599,561</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 184,063</b>	<b>(4,415,498)</b>	<b>(4,415,498)</b>
General revenues:						
State and local sources					4,018,388	4,018,388
Contributions and other revenue					446,107	446,107
Total general revenues					4,464,495	4,464,495
Changes in net position					48,997	48,997
Net position at beginning of year					15,163,812	15,163,812
Net position at end of year					<b>\$ 15,212,809</b>	<b>\$ 15,212,809</b>

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

**BROOKS DEBARTOLO CHARITIES, INC.  
d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Balance Sheet - Governmental Funds**

**June 30, 2019**

	<u><b>General Fund</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,200,390
Deposits	<u>6,006</u>
Total assets	<u><u>\$ 1,206,396</u></u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	<u>\$ 277,691</u>
Total liabilities	<u>277,691</u>
<b>FUND BALANCES</b>	
Nonspendable	
Deposits	6,006
Spendable	
Unassigned	<u>922,699</u>
Total fund balances	<u>928,705</u>
Total liabilities and fund balances	<u><u>\$ 1,206,396</u></u>

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

**BROOKS DEBARTOLO CHARITIES, INC.  
d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

**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, 2019**

<b>Total fund balances - total general fund</b>	\$ 928,705
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets are \$17,364,965 and the accumulated depreciation is \$3,059,026.

14,305,939

The line of credit is not due and payable in the current period and, therefore, is not reported as liability in the governmental funds.

Equipment line of credit

(21,835)

**Total net position - governmental activities**

\$ 15,212,809

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

**BROOKS DEBARTOLO CHARITIES, INC.  
d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

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

**For the Year Ended June 30, 2019**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
State and local sources	\$ 3,916,692	\$ 285,759	\$ -	\$ 4,202,451
Contributions and other revenues	446,107	-	-	446,107
Total revenues	<u>4,362,799</u>	<u>285,759</u>	<u>-</u>	<u>4,648,558</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	2,293,785	-	-	2,293,785
Pupil personnel services	117,336	-	-	117,336
Media services	363	-	-	363
Instructional staff training	5,352	-	-	5,352
Instructional-related technology	216,303	-	-	216,303
Board	50,717	-	-	50,717
General administration	31,880	-	-	31,880
School administration	632,930	-	-	632,930
Fiscal services	12,819	-	-	12,819
Food services	160,461	-	-	160,461
Transportation	11,022	-	-	11,022
Operation of plant	209,879	273,500	-	483,379
Community services	189,106	-	-	189,106
Debt service:				
Principal	-	-	1,591	1,591
Interest	-	-	6,536	6,536
Capital outlay	-	12,259	-	12,259
Total expenditures	<u>3,931,953</u>	<u>285,759</u>	<u>8,127</u>	<u>4,225,839</u>
Excess (deficiencies) of revenue over expenditures	<u>430,846</u>	<u>-</u>	<u>(8,127)</u>	<u>422,719</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in	-	-	8,127	8,127
Operating transfer out	(8,127)	-	-	(8,127)
Total other financing sources	<u>(8,127)</u>	<u>-</u>	<u>8,127</u>	<u>-</u>
Net changes in fund balances	422,719	-	-	422,719
Fund balances at beginning of year	505,986	-	-	505,986
Fund balances at end of year	<u>\$ 928,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 928,705</u>

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

**BROOKS DEBARTOLO CHARITIES, INC.**  
**d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**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**

<b>Net change in fund balances - governmental funds</b>	\$ 422,719
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$387,572) exceeds capital expenditures (\$12,259) in the current period.	(375,313)
Principal payments on long-term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position.	<u>1,591</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 48,997</u></u>

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

**BROOKS DEBARTOLO CHARITIES, INC.  
d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Notes to Financial Statements**

**For the Year Ended June 30, 2019**

**1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Brooks DeBartolo Charities, Inc., d/b/a Brooks DeBartolo Collegiate 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 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, (the "School Board"). The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board ("GASB").

**Charter Contract**

The current charter will expire on June 30, 2032. 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 back to the School Board.

**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.

**BROOKS DEBARTOLO CHARITIES, INC.**  
**d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Notes to Financial Statements  
(continued)**

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 and 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 individual 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.
- Debt Service Fund – to account for the accumulation of resources for, and payment of general long-term debt principal, interest, and related costs.

For the purpose of these statements, the general fund is considered the major fund. The special revenue debt service and capital projects funds are non-major funds and reported as other governmental funds.

**BROOKS DEBARTOLO CHARITIES, INC.  
d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Notes to Financial Statements  
(continued)**

**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 fund financial statements are reported using the modified accrual basis of accounting. Under this method, revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. The School considers revenues to be available if they are collected within 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.

**Cash and Cash Equivalents**

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

The School maintains its cash accounts with a financial institution subject to insurance coverage issued by the Federal Deposit Insurance Corporation ("FDIC"). Under FDIC rules, the School is entitled to aggregate coverage of \$250,000 per account type per separate legal entity per financial institution. As of June 30, 2019, the School's cash balances exceeded FDIC coverage by approximately \$950,000. The School has not experienced any losses in such accounts. Additionally, the School does not anticipate any future losses.

**BROOKS DEBARTOLO CHARITIES, INC.**  
**d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Notes to Financial Statements  
(continued)**

**Interfund Transfers**

The School reports its general, capital projects and debt service funds expenditures in separate funds. For the year ended June 30, 2019, the general funds transferred approximately \$8,100 to the debt service funds for debt service expenditures.

**Capital Assets and Depreciation**

The School's capital assets with useful lives of more than one year are stated at historical cost and are reported in the statement of net assets in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value on the date 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>
Buildings	40
Leasehold improvements	15
Furniture, fixtures and equipment	7
Library	8
Computers	5

Information related to the change in capital assets is described in Note 3.

**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. Changes in long-term liabilities for the current year are reported in Note 5.

**BROOKS DEBARTOLO CHARITIES, INC.  
d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Notes to Financial Statements  
(continued)**

**Net Position and Fund Balance Classifications**

*Government-wide financial statements*

Net position is classified and reported in three components:

- Investment in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are 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 or laws or regulations of other governments.
- 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.

**BROOKS DEBARTOLO CHARITIES, INC.**  
**d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**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 non spendable 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 provided primarily from the District School Board of Hillsborough County, Florida 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. Under provisions of Section 1011.62, Florida Statutes, the School Board reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey period. The School Board receives a 2% administrative fee from the School, which is withheld from the respective FEFP payments. The administrative fee 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 administration fee is calculated on the FEFP Revenue, for up to 250 students.

The basic amount of funding through the FEFP under Section 1011.62 is the product of (1) the School's 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 2018-2019 school year, the School reported 586.74 unweighted FTE.

**BROOKS DEBARTOLO CHARITIES, INC.**  
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**A Charter School and Component Unit of the  
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**Notes to Financial Statements  
(continued)**

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the 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)
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC)
- Evaluation and planning documents for weighted programs (Section 1011.62(1)(e), Florida Statutes, and Rule 6A-6.03411, FAC)

The School received additional funding under other state grants. This assistance is generally received based on applications submitted to various granting agencies. For 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.

**BROOKS DEBARTOLO CHARITIES, INC.**  
**d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Notes to Financial Statements  
(continued)**

**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.

**BROOKS DEBARTOLO CHARITIES, INC.  
d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Notes to Financial Statements  
(continued)**

**3 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>
<b>Capital assets:</b>				
Land	\$ 1,975,000	\$ -	\$ -	\$ 1,975,000
Buildings	14,524,927	-	-	14,524,927
Furniture, fixtures & equipment	328,526	12,259	-	340,785
Computers	222,291	-	-	222,291
Library	73,005	-	-	73,005
Vehicles	109,540	-	-	109,540
Assets under capital lease	119,417	-	-	119,417
Total capital assets	<u>17,352,706</u>	<u>12,259</u>	<u>-</u>	<u>17,364,965</u>
 Accumulated depreciation:				
Buildings	(1,927,802)	(373,998)	-	(2,301,800)
Furniture, fixtures & equipment	(320,082)	(2,620)	-	(322,702)
Computers	(222,291)	-	-	(222,291)
Library	(73,005)	-	-	(73,005)
Vehicles	(9,128)	(10,954)	-	(20,082)
Assets under capital lease	(119,146)	-	-	(119,146)
Total accumulated depreciation	<u>(2,671,454)</u>	<u>(387,572)</u>	<u>-</u>	<u>(3,059,026)</u>
 Capital assets, net	<u>\$ 14,681,252</u>	<u>\$ (375,313)</u>	<u>\$ -</u>	<u>\$ 14,305,939</u>

Depreciation expense was approximately \$388,000 for the year ended June 30, 2019 and reported as unallocated depreciation on the accompanying Statement of Activities.

**BROOKS DEBARTOLO CHARITIES, INC.**  
**d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Notes to Financial Statements  
(continued)**

**4 ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued liabilities consist of the following at June 30, 2019:

Dual enrollment tuition payable	\$ 136,993
Accrued payroll	130,085
Vendor accounts payable	<u>10,613</u>
Total	<u><u>\$ 277,691</u></u>

**5 LONG-TERM LIABILITIES**

**Other liabilities**

The School has entered into a revolving credit agreement with Dell to obtain computers and related equipment. The agreement requires monthly minimum principal and interest payments of approximately \$700. Interest accrues on a monthly basis at a rate of 29.49%. The balance on the account is considered due upon demand.

Changes in other liabilities for the fiscal year ended June 30, 2019 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Total long-term liabilities	\$ 23,426	\$ -	\$ (1,591)	\$ 21,835

Interest paid during the year ended June 30, 2019 on the School's revolving credit agreement obligation totaled approximately \$6,500.

**BROOKS DEBARTOLO CHARITIES, INC.  
d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Notes to Financial Statements  
(continued)**

**6 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES**

**District School Board of Hillsborough County, Florida:**

Florida Education Finance Program	\$ 2,608,892
Class size reduction	534,719
Capital outlay	285,759
Discretionary local efforts	195,254
Supplemental academic instruction	137,515
Discretionary millage funds	103,856
Best & brightest teachers	101,366
School recognition	57,946
Instructional materials	45,411
ESE guaranteed allocation	28,433
Safe schools	27,204
Reading allocation	24,660
Mental health	13,264
Funds compression allocation	11,172
Lead teacher	9,248
Digital classroom allocation	8,739
Additional allocation	7,036
Discretionary lottery funds	1,977
	<hr/>
Total	\$ 4,202,451

The administrative fee paid to the School Board during the year ended June 30, 2019 totaled approximately \$32,000, 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 of governmental funds. .

**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.

**BROOKS DEBARTOLO CHARITIES, INC.  
d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Notes to Financial Statements  
(continued)**

**8 COMMITMENTS AND CONTINGENT LIABILITIES**

**Grants**

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

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

**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 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 income tax returns for the tax years ending 2018, 2017 and 2016 are subject to examination by tax authorities, and may change upon examination.

**10 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 18, 2019, which is the date the financial statements were available to be issued.

**BROOKS DEBARTOLO CHARITIES, INC.**  
**d/b/a BROOKS DEBARTOLO COLLEGIATE HIGH SCHOOL**

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

**Required Supplementary Information  
Budgetary Comparison Schedule - General Fund  
For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State and local sources	\$ 3,762,990	\$ 3,916,692	\$ 3,916,692	\$ -
Contributions and other revenues	265,000	446,107	446,107	-
Total revenues	<u>4,027,990</u>	<u>4,362,799</u>	<u>4,362,799</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	2,367,568	2,293,785	2,293,785	-
Pupil personnel services	143,490	117,336	117,336	-
Media services	2,000	363	363	-
Instructional staff training	6,000	5,352	5,352	-
Instructional-related technology	185,903	216,303	216,303	-
Board	54,300	50,717	50,717	-
General administration	30,327	31,880	31,880	-
School administration	645,676	632,930	632,930	-
Fiscal services	16,000	12,819	12,819	-
Food services	136,410	160,461	160,461	-
Transportation	22,032	11,022	11,022	-
Operation of plant	172,166	209,879	209,879	-
Community services	176,909	189,106	189,106	-
Total expenditures	<u>3,958,781</u>	<u>3,931,953</u>	<u>3,931,953</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>69,209</u>	<u>430,846</u>	<u>430,846</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer out	<u>(8,800)</u>	<u>(8,800)</u>	<u>(8,127)</u>	<u>673</u>
Total other financing sources	<u>(8,800)</u>	<u>(8,800)</u>	<u>(8,127)</u>	<u>673</u>
Net changes in fund balances	60,409	422,046	422,719	673
Fund balances at beginning of year	<u>505,986</u>	<u>505,986</u>	<u>505,986</u>	<u>-</u>
Fund balances at end of year	<u>\$ 566,395</u>	<u>\$ 928,032</u>	<u>\$ 928,705</u>	<u>\$ 673</u>

Independent Auditor's Report.



McCRAZY & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Reports

To the Board of Directors of Brooks DeBartolo Charities, Inc.,  
d/b/a Brooks DeBartolo Collegiate High School, a Charter School  
and Component Unit of the District School Board of Hillsborough County, Florida

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Brooks DeBartolo Charities, Inc., d/b/a Brooks DeBartolo Collegiate High School (the "School"), a charter school and component unit of the District School Board of Hillsborough County, Florida, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 18, 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.

*McCrary & Associates, PLLC*

Altamonte Springs, Florida  
September 18, 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 Brooks DeBartolo Charities, Inc.  
d/b/a Brooks DeBartolo Collegiate High School, 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 Brooks DeBartolo Charities, Inc., d/b/a Brooks DeBartolo Collegiate High School (the "School") as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated September 18, 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 18, 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 Brooks DeBartolo Charities, Inc., d/b/a Brooks DeBartolo Collegiate High School. The School code is 6634.

**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 Hillsborough 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 18, 2019

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