

**NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL**

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

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2014

King & Walker, CPAs, PL

Certified Public Accountants

THIS PAGE IS INTENTIONALLY BLANK.

**NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL**

TABLE OF CONTENTS

	PAGE NO.
FINANCIAL SECTION	
Independent Auditor’s Report	1
Management’s Discussion and Analysis – (Unaudited)	3
Basic Financial Statements	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	8
Statement of Activities	9
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	13
Notes to Financial Statements	14
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund – (Unaudited)	24
Note to Required Supplementary Information	25
COMPLIANCE AND INTERNAL CONTROL	
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>Governmental Auditing Standards</i>	26
Management Letter as required by Rules of the Florida Auditor General, Chapter 10.850, Florida Statutes, <i>Charter School Audits</i>	28

Independent Auditor's Report

To the Board of Directors Newpoint Bay, Inc. d/b/a Newpoint Bay High School,
a Charter School and Component Unit of the
District School Board of Bay County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Newpoint Bay, Inc. d/b/a Newpoint Bay High School ("School"), a charter school and component unit of the District School Board of Bay County, Florida, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2014, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2014 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 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.

Respectfully submitted,



September 18, 2014
Tampa, Florida

NEWPOINT BAY, INC. D/B/A NEWPOINT BAY HIGH SCHOOL

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

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The Management's Discussion and Analysis (MD&A) section of the annual financial report of the Newpoint Bay, Inc. d/b/a Newpoint Bay High School ("School") provides an overview of the School's activities for the fiscal year ended June 30, 2014.

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, 2014, the School's revenues exceeded expenses as shown on the School's statement of activities by \$80,291.
- As shown on the statement of net position, the School reported a total net position balance of \$120,929.

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 and business-type 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.

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 one fund, a General Fund to account for its general operations and internal account activities. For reporting purposes the General Fund is the only major fund of the School.

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

Notes to Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the School's net position as of the fiscal years ended June 30, 2013 and June 30, 2014:

	Net Position, End of Year		
	Governmental Activities		
	6-30-13	6-30-14	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 58,876	\$ 76,293	\$ 17,417
Capital Assets, Net	123,726	74,178	(49,548)
Total Assets	<u>182,602</u>	<u>150,471</u>	<u>(32,131)</u>
LIABILITIES			
Current Liabilities	31,964	23,625	(8,339)
Due to Operating Company	<u>110,000</u>	<u>5,917</u>	<u>(104,083)</u>
Total Liabilities	<u>141,964</u>	<u>29,542</u>	<u>(112,422)</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	123,726	74,178	(49,548)
Unrestricted	<u>(83,088)</u>	<u>46,751</u>	<u>129,839</u>
Total Net Position	<u>\$ 40,638</u>	<u>\$ 120,929</u>	<u>\$ 80,291</u>

The School's assets consist of cash & cash equivalents and capital assets. Liabilities primarily consist of outstanding accounts payable to vendors. The School reported a net unrestricted position balance of \$46,751.

The key elements of the changes in the School's net position for the fiscal years ended June 30, 2013 and June 30, 2014, are as follows:

	Operating Results for the Year		
	<u>Governmental Activities</u>		
	<u>6-30-13</u>	<u>6-30-14</u>	<u>Increase (Decrease)</u>
Revenues:			
State and Local Sources	\$ 639,124	\$ 647,511	\$ 8,387
Grants, Contributions and Other	58,724	16,879	(41,845)
Total Revenues	<u>697,848</u>	<u>664,390</u>	<u>(33,458)</u>
Expenses:			
Instruction	275,881	247,775	(28,106)
Pupil Personnel Services	3,387	-	(3,387)
Instruction & Curriculum Development	810	-	(810)
Instructional Staff Training	498	2,500	2,002
Instructional Related Technology	4,600	9,613	5,013
Board	134,726	142,434	7,708
School Administration	152,878	46,302	(106,576)
Facilities Acq. & Construction	124,589	55,516	(69,073)
Fiscal Services	13,116	15,649	2,533
Food Services	8,935	5,143	(3,792)
Pupil Transportation	26,694	137	(26,557)
Operation of Plant	46,249	8,815	(37,434)
Maintenance of Plant	4,349	117	(4,232)
Community Service	1,000	-	(1,000)
Debt Service - Interest	2,950	550	(2,400)
Unallocated Depreciation	49,548	49,548	-
Total Expenses	<u>850,210</u>	<u>584,099</u>	<u>(266,111)</u>
(Decrease) in Net Position	<u>\$ (152,362)</u>	<u>\$ 80,291</u>	<u>\$ 232,653</u>

The largest revenue source for the School is the State of Florida (97%). 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 largest concentrations of expenses were for instruction related functions (38%), board (22%), facilities acquisition and construction (9%), and school administration (7%) during the year.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a combined fund balance of \$46,751.

BUDGETARY HIGHLIGHTS

The general fund budget for the fiscal year ended June 30, 2014, was developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Actual expenditures were equal to the final budgeted expenditures. Refer to the Budgetary Comparison Schedule – General Fund for additional information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The School's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$74,178 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures, and equipment. Additional information regarding the School's capital assets is located in the notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Newpoint Bay, Inc. d/b/a Newpoint Bay High School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to School Financial Services, Inc., Post Office Box 250, Bonifay, Florida 34425.

NEWPOINT BAY INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BAY COUNTY, FLORIDA

STATEMENT OF NET POSITION
June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash & Cash Equivalents	\$ 76,293
Due From Other Agencies	
Capital Assets:	
Furniture, Fixtures, and Equipment, Net	74,178
Total Capital Assets, Net	<u>74,178</u>
TOTAL ASSETS	<u>150,471</u>
LIABILITIES	
Accounts Payable	23,625
Due to Other Agency	5,917
TOTAL LIABILITIES	<u>29,542</u>
NET POSITION	
Net Investment in Capital Assets	74,178
Unrestricted	46,751
Total Net Position	<u><u>\$ 120,929</u></u>

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

**NEWPOINT BAY INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BAY COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014**

		Program Revenues			Net (Expenses) Revenue and Changes Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Instruction	\$ 247,775	\$ -	\$ -	\$ -	\$ (247,775)	\$ (247,775)
Instructional Staff Training	2,500				(2,500)	(2,500)
Instructional Technology Services	9,613				(9,613)	(9,613)
Board	142,434				(142,434)	(142,434)
School Administration	46,302				(46,302)	(46,302)
Facilities Acquisition & Construction	55,516			55,516	-	-
Fiscal Services	15,649				(15,649)	(15,649)
Food Services	5,143				(5,143)	(5,143)
Pupil Transportation	137				(137)	(137)
Operation of Plant	8,815			10,467	1,652	1,652
Maintenance of Plant	117				(117)	(117)
Debt Service - Interest	550				(550)	(550)
Unallocated Depreciation	49,548				(49,548)	(49,548)
Total Governmental Activities	\$ 584,099	\$ -	\$ -	\$ 65,983	(518,116)	(518,116)
General Revenues:						
State Sources					581,528	581,528
Local and Other					16,879	16,879
Total General Revenues					598,407	598,407
Change in Net Position					80,291	80,291
Net Position - July 1, 2013					40,638	40,638
Net Position - June 30, 2014					\$ 120,929	\$ 120,929

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

NEWPOINT BAY INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BAY COUNTY, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2014

	<u>General Fund</u>
ASSETS	
Cash & Cash Equivalents	\$ 76,293
Total Assets	<u>\$ 76,293</u>
LIABILITIES	
Accounts Payable	\$ 23,625
Due to Other Agency	5,917
Total Liabilities	<u>29,542</u>
FUND BALANCE	
Unassigned	<u>46,751</u>
Total Fund Balance	<u>46,751</u>
Total Liabilities and Fund Balance	<u>\$ 76,293</u>

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

NEWPOINT BAY INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BAY COUNTY, FLORIDA

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

June 30, 2014

Total Fund Balances - Governmental Funds	\$ 46,751
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.	<u>74,178</u>
Total Net Position - Governmental Activities	<u><u>\$ 120,929</u></u>

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

NEWPOINT BAY INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BAY COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

	General Fund
Revenues	
Intergovernmental:	
State	\$ 647,511
Local and Other	16,879
Total Revenues	664,390
Expenditures	
Current - Education:	
Instruction	247,775
Instructional Staff Training	2,500
Instructional Related Technology	9,613
Board	142,434
School Administration	46,302
Facilities Acquisition & Construction	55,516
Fiscal Services	15,649
Food Services	5,143
Pupil Transportation	137
Operation of Plant	8,815
Maintenance of Plant	117
Debt Service:	
Principal	110,000
Interest	550
Total Expenditures	644,551
Net Change in Fund Balance	19,839
Fund Balance, July 1, 2013	26,912
Fund Balance, June 30, 2014	\$ 46,751

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

**NEWPOINT BAY INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BAY 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, 2014***

Net Change in Fund Balances - Governmental Funds	\$	19,839
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense (\$49,548) in excess of capital outlay expense (\$0) in the current period.</p>		
		(49,548)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position.</p>		
		110,000
Change in Net Position - Governmental Activities	\$	80,291

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

NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A Charter School And Component Unit of the District School Board of Bay County, Florida

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

Newpoint Bay, Inc. d/b/a Newpoint Bay High School (“School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act and Section 1002.33, Florida Statutes. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Bay County, Florida, (“District”). The current charter had been made effective for the 2008-09 school year, is effective until June 30, 2015, and is subject to annual review and may be renewed by mutual agreement between the School and the District for up to an additional 15 years should certain performance measures be met. 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.

➤ **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

NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A Charter School And Component Unit of the District School Board of Bay County, Florida

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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 fund is 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.

➤ **Basis of Accounting**

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

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

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 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

NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A Charter School And Component Unit of the District School Board of Bay County, Florida

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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 consist of demand deposits with one financial institution. Deposits on hand at this financial institution are insured by the Federal Deposit Insurance Company up to \$250,000.

➤ **Capital Assets**

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

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 7 years

Current-year information relative to changes in capital assets is described in a subsequent note.

➤ **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.

NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A Charter School And Component Unit of the District School Board of Bay County, Florida

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

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

Fund Financial Statements

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

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

NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A Charter School And Component Unit of the District School Board of Bay County, Florida

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

➤ **Order of Fund Balance Spending Policy**

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

➤ **Revenue Sources**

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

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

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, 2014, the School reported 105.20 unweighted FTE and 106.47 weighted FTE.

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

NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A Charter School And Component Unit of the District School Board of Bay County, Florida

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

- 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 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.

A schedule of revenue sources for the current year is presented in a subsequent note.

➤ **Recently Issued Accounting Principles**

In March 2012, the Government Accounting Standards Board (GASB) issued GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources and deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, GASB 65 reclassifies and recognizes certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. The requirements of GASB 65 were effective for the fiscal year 2014. The School does not have any items that qualify for reporting in this category.

NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A Charter School And Component Unit of the District School Board of Bay County, Florida

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

➤ **Income Taxes**

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

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States (GAAP) 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. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Furniture, Fixtures and Equipment	\$ 343,841	\$ -	\$ -	\$ 343,841
Total Capital Assets Being Depreciated	<u>343,841</u>	<u>-</u>	<u>-</u>	<u>343,841</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(220,115)	(49,548)	-	(269,663)
Total Accumulated Depreciation	<u>(220,115)</u>	<u>(49,548)</u>	<u>-</u>	<u>(269,663)</u>
Governmental Activities Capital Assets, Net	<u>\$ 123,726</u>	<u>\$ (49,548)</u>	<u>\$ -</u>	<u>\$ 74,178</u>

Unallocated depreciation expense for the fiscal year was \$49,548.

3. DUE TO OTHER AGENCY

The School reported an amount due to other agency (\$5,917) for amounts owed to Newpoint Education Partners, LLC, (management company), see Note 8 for further description, for operating expenses and invoices for certain expenses paid by the management company on behalf of the School. The School shall reimburse the

NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A Charter School And Component Unit of the District School Board of Bay County, Florida

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

management company when funds which are not otherwise reserved under the budget become available as stated in the financial arrangement with the management company.

4. CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
<u>GOVERNMENTAL ACTIVITIES:</u>					
Note Payable	\$ 110,000	\$ -	\$ (110,000)	\$ -	\$ -
Total Governmental Activities	<u>\$ 110,000</u>	<u>\$ -</u>	<u>\$ (110,000)</u>	<u>\$ -</u>	<u>\$ -</u>

5. SCHEDULE OF STATE REVENUE SOURCES

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

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 384,264
Class Size Reduction	91,943
Charter School Capital Outlay	65,983
Discretionary Millage	38,820
Supplementary Academic Instruction	29,351
Teacher Salary Allocation	16,651
ESE Guaranteed Allocation	9,782
Instructional Materials	8,196
Florida Teachers' Lead Program	1,008
Discretionary Lottery	937
Miscellaneous State Revenue	576
Total State Revenue	<u>\$ 647,511</u>

As provided in the charter school contract, the District has charged the School an administrative fee amounting to \$27,577.

Accounting policies relating to certain State revenue sources are described in Note 1.

6. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2014, may be impaired.

NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A Charter School And Component Unit of the District School Board of Bay County, Florida

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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.

7. FACILITY LEASE

The School entered into an operating sub-lease for its school facilities with Newpoint Schools, Inc. (a charter school). The current lease term is through June 30, 2015. The sub-lease monthly cost is prorated based on the School's full-time equivalent students.

Facility rental expense related to the facility sub-lease costs for the fiscal year ended June 30, 2014, totaled \$93,048.

The following is a schedule by years of future minimum rental costs under the current operating sub-lease through June 30, 2017, based on the current sub-lease terms:

Fiscal Year Ending June 30:	Amount
2015	\$ 93,048
2016	93,048
2017	93,048
Total Minimum Payments Required	<u>\$ 279,144</u>

8. OPERATING AGREEMENTS

Management Agreement - The School entered into a management agreement for the period January 23, 2008, to December 31, 2013, with NewPoint Education Partners, LLC (the "Company"). Thereafter the agreement will automatically renew for additional, successive three (3) year terms unless one party notifies the other party at least six (6) months prior to the expiration of the then-current term of its intention not to renew the agreement. The agreement is in the first three (3) year renewal period which extends through December 31, 2016. The contract calls for the Company to be responsible and accountable to the School Board for the administration, operation and performance of the School in accordance with the School's Contract, the Statement of Mission and Purpose and the laws of the State of Florida. The agreement includes various other responsibilities of the Company involving school operations and reporting requirements. The contract provides for an Educational Model Development Fee defined as the sum of any grants intended to cover start-up costs of the School to the extent permitted by the terms of such grants, which shall be non-refundable and deemed fully earned when paid. The contract further provides for a Continuing Fee defined as 97 percent of the School's Qualified Gross Revenues, less the amount of any outstanding Default Costs and Expenses. Qualified Gross Revenues shall mean revenues and income received by the School from the following sources:

NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A Charter School And Component Unit of the District School Board of Bay County, Florida

NOTES TO FINANCIAL STATEMENTS
June 30, 2014

- Basic State Funding
- DPIA Funding
- Special Education Funding
- DPIA Class Size Funding
- Internship Program Fees
- Income sources provided by state, federal and local law and/or obtained through the Company's efforts

Professional Accounting Services Company – The School has a contract with a professional accounting services company which provides accounting and financial services, and other assistance to the School at a fixed percentage (3%) of the net FEFP revenue collected from the District. Approximately \$15,190 was paid for these professional services during the fiscal year. The contract may be cancelled by either party with 30 days advance notice.

9. FUNDING AND CREDIT 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.

10. RISK MANAGEMENT PROGRAMS

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

11. RELATED PARTY TRANSACTIONS

Pursuant to the management contract provisions, as and if it becomes necessary, NewPoint Education Partners, LLC may be required to contribute towards the operations of the School. During the fiscal year ended June 30, 2014, NewPoint Education Partners, LLC was not required to contribute toward the School's operations.

12. 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.

D/B/A NEWPOINT BAY HIGH SCHOOL
A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD
OF BAY COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - (UNAUDITED)
For the Fiscal Year Ended June 30, 2014

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State and Local	\$ 655,588	\$ 647,511	\$ 647,511	\$ -
Contributions and Other	63,338	16,879	16,879	-
Total Revenues	<u>718,926</u>	<u>664,390</u>	<u>664,390</u>	<u>-</u>
Expenditures:				
Current - Education:				
Instruction	291,410	247,775	247,775	-
Instruction & Curriculum Development	826	-	-	-
Instructional Staff Training	508	2,500	2,500	-
Instructional Related Technology	4,692	9,613	9,613	-
Board	148,374	142,434	142,434	-
School Administration	93,489	46,302	46,302	-
Facilities Acquisition & Construction	71,424	55,516	55,516	-
Fiscal Services	16,123	15,649	15,649	-
Food Services	9,113	5,143	5,143	-
Pupil Transportation	27,228	137	137	-
Operation of Plant	47,174	8,815	8,815	-
Maintenance of Plant	4,436	117	117	-
Community Service	1,020	-	-	-
Debt Service:				
Principal	-	110,000	110,000	-
Interest	3,009	550	550	-
Total Expenditures	<u>718,826</u>	<u>644,551</u>	<u>644,551</u>	<u>-</u>
Net Change in Fund Balance	100	19,839	19,839	-
Fund Balance, July 1, 2013	19,826	26,912	26,912	-
Fund Balance, June 30, 2014	<u>\$ 19,926</u>	<u>\$ 46,751</u>	<u>\$ 46,751</u>	<u>\$ -</u>

See Independent Auditor's Report.

NEWPOINT BAY, INC.
D/B/A NEWPOINT BAY HIGH SCHOOL
A Charter School And Component Unit of the District School Board of Bay County, Florida

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2014

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.

Members:
Florida Institute of CPAs
American Institute of CPAs
Government Audit Quality Center

709 W. Azelee St.
Tampa, FL 33606
office (813) 892-4274 fax (813) 253-0951
www.KingandWalker.com

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors Newpoint Bay, Inc. d/b/a Newpoint Bay High School,
a Charter School and Component Unit of the
District School Board of Bay 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 Newpoint Bay, Inc. d/b/a Newpoint Bay High School ("School"), a charter school and component unit of the District School Board of Bay County, Florida, as of and for the year ended June 30, 2014, 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, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

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

September 18, 2014
Tampa, Florida

Members:
Florida Institute of CPAs
American Institute of CPAs
Government Audit Quality Center

709 W. Azelee St.
Tampa, FL 33606
office (813) 892-4274 fax (813) 253-0951
www.KingandWalker.com

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

To the Board of Directors Newpoint Bay, Inc. d/b/a Newpoint Bay High School,
a Charter School and Component Unit of the
District School Board of Bay County, Florida

Report on the Financial Statements

We have audited the financial statements of the Newpoint Bay, Inc. d/b/a Newpoint Bay High School (“School”), a Charter School and Component Unit of the District School Board of Bay County, Florida, as of and for the fiscal year ended June 30, 2014, and have issued our report thereon dated September 18, 2014.

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.

Other Reporting Required by *Government Auditing Standards*

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 18, 2014, 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. The School did not have findings and recommendations made in the preceding annual financial audit report.

Financial Condition

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require that we apply appropriate procedures to determine whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Other Matters

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

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Newpoint Bay, Inc. d/b/a Newpoint Bay High School.

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, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

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

September 18, 2014
Tampa, Florida