



February 17, 2014

MEMORANDUM

TO: District Board of Trustees
FROM: Jim Murdaugh, President 
SUBJECT: Direct Support Organization (FPSI) - Audit Report

Item Description

All Direct Support Organizations (DSO) affiliated with Tallahassee Community College must have annual financial audits.

Overview and Background

This financial audit is provided to the Board for review. The audit is conducted in compliance with Section 11.45(8), Florida Statute. The audit of the Tallahassee Community College Florida Public Safety Institute's Academy Housing, Inc. is for the fiscal year ending March 31, 2013.

Past Actions by the Board

The Board last reviewed the audit of this DSO on November 19, 2012 for the previous fiscal year.

Funding/Financial Implications

No funding is required

Staff Resource

E.E. Eunice

Recommended Action

For information only

Public Safety Academy Housing, Inc.
444 Appleyard Drive
Tallahassee, Florida 32304

Thomson Brock Luger & Company
3375-G Capital Circle N.E.
Tallahassee, Florida 32308

In connection with your audits of the financial statements of Public Safety Academy Housing, Inc. as of March 31, 2013 and 2012 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Public Safety Academy Housing, Inc. in conformity with U.S. generally accepted accounting principles, we confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

1. We are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows of Public Safety Academy Housing, Inc. in conformity with generally accepted accounting principles. The financial statements include all properly classified funds under the organization's control. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control, and preventing and detecting fraud.
2. We have made available to you all -
 - a. Financial records and related data, and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Minutes of meetings of the Housing's Board of Directors.
3. We have no knowledge of any fraud or suspected fraud affecting the Organization involving -
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
4. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others.
5. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices.

6. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.
7. The following have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions and related accounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.
 - b. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - c. Agreements to repurchase assets previously sold.
8. There are no -
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Accounting Standards Codification 450, Contingencies.
 - c. Transfers or designations of restricted net assets or interfund borrowings that were not properly authorized and approved, or uncollectible interfund loans that have not been properly reflected in the financial statements or disclosed to you.
9. We are not aware of any pending or threatened litigations, claims or assessments that are required to be disclosed in accordance with FASB Accounting Standards Codification 450, Contingencies, and we have not consulted a lawyer concerning litigation claims or assessments during the fiscal year or subsequent to that date through the date of this letter.
10. Public Safety Academy Housing, Inc. is an exempt organizations under Section 501(c)3 of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.
11. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
12. Public Safety Academy Housing, Inc. has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged except as made known to you and disclosed in the notes to the financial statements.

13. We have complied with all restrictions on resources and aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance.
14. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
15. There are no such estimates that may be subject to material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements.
16. No events have occurred subsequent to the balance sheet date that would require adjustments to, or disclosure in, the financial statements.
17. We have reviewed the proposed audit entry attached hereto including AJE #1-#2 and accept the proposed entry.
18. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial both individually and in the aggregate, to the financial statements taken as a whole.

Signature: _____

Title: _____

Date: _____

Prepared by _____

PUBLIC SAFETY ACADEMY HOUSING, INC.
Adjusting Journal Entries

2005019

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Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Workpaper
AJE01	Adjusting	03/31/13				
		510	Depreciation Expense	207,660.00		
		513	Amortization - Deferred Loan	9,451.00		
		186	Allowance for Dep - Buildings		207,660.00	
		162	Accumulated Amort. - Loan Co		9,451.00	
			To record CY depreciation and amortization			
AJE02	Adjusting	03/31/13				
		201	Accounts Payable		18,749.00	
		221	Note Payable	18,749.00		
			To adjust current portion of LT debt according to Amortization Schedule			
PBC01	Adjusting	03/31/13				
		221	Note Payable	362,401.00		
		460	Rent Revenue		748,913.00	
		506	Contractual Service	7,112.00		
		512	Interest	377,512.00		
		101	Capital City Bank - 7701	1,888.00		
			To record CY activity			
		TOTAL		984,773.00	984,773.00	