2022

Academy of Environmental Science

Financial Statements and Independent Auditor's Report

June 30, 2022

PURVIS GRAY

CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA

JUNE 30, 2022

TABLE OF CONTENTS

Independent Auditor's Report 1-3

Management's Discussion and Analysis 4-6

Financial Statements

Basic Financial Statements
Government-Wide Financial Statements:
Statement of Net Position 7
Statement of Activities 8
Governmental Funds Financial Statements:
Balance Sheet 9
Reconciliation of the Balance Sheet to the Statement of Net Position 10
Statement of Revenues, Expenditures, and Changes in Fund Balances 11
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities 12
Notes to Financial Statements 13-20

Required Supplementary Information
Budgetary Comparison Schedule - General Fund 21
Budgetary Comparison Schedule - ESSER 22

Additional Elements Required by the *Rules of the Auditor General*
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* 23-24
Schedule of Findings 25
Management Letter 26-27
Management Letter Comments 28
Management Response Letter 29

PURVIS GRAY

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Academy of Environmental Science
Citrus County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Academy of Environmental Science (the School), a component unit of the Citrus County School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

To the Board of Directors
Academy of Environmental Science
Citrus County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of

To the Board of Directors
Academy of Environmental Science
Citrus County, Florida

INDEPENDENT AUDITOR'S REPORT

management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Purvis Gray

March 17, 2023
Ocala, Florida

MANAGEMENT DISCUSSION AND ANALYSIS
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA

This discussion and analysis of the Academy of Environmental Science's (the School) financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the School's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2022:

- The School's total net position is $640,461.
- Total ending unrestricted net position is $31,230.
- The School had total expenses for the year of $890,433 compared to revenues of $842,499.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report contains government-wide financial statements that report on the School's activities as a whole and fund financial statements that report on the School's individual funds.

Government-Wide Financial Statements

The first financial statement is the Statement of Net Position. This statement includes all of the School's assets and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net position – the difference between assets and liabilities – can be used to measure the School's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the School's financial health is improving or deteriorating. However, other non-financial factors, such as enrollment levels or changes in state funding, must also be considered when assessing the overall health of the School.

In these statements, all of the School's activities are considered governmental activities. The School has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the School's funds:

- Governmental Funds—These funds are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the governmental fund's financial position. A reconciliation is provided with these statements, which helps to explain the difference between the fund financial statements and the government-wide financial statements.

The School maintains five individual governmental funds. The General Fund, Capital Projects Funds, the ESSER Fund, and Special Revenue Fund are considered to be major funds and, accordingly, are separately displayed.

STATEMENTS OF NET POSITION

	2022 Governmental Activities	2021 Governmental Activities
Assets		
Cash and Cash Equivalents	$ 137,259	$ 299,474
Accounts Receivable	16,550	83
Prepaid Items	28,608	-
Capital Assets, Net	482,760	402,813
Total Assets	665,177	702,370
Liabilities		
Current Liabilities	24,716	13,975
Net Position		
Net Investment in Capital Assets	482,760	402,813
Restricted	126,471	104,588
Unrestricted	31,230	180,994
Total Net Position	$ 640,461	$ 688,395

STATEMENTS OF ACTIVITIES

Revenues		
Program Revenues:		
Capital Grants and Contributions	$ 1,595	$ 59,715
Operating Grants and Contributions	108,136	
General Revenues:		
Florida Education Finance Program	676,784	736,885
Other Revenues	55,984	72,413
Total Revenues	842,499	869,013
Program Expenses		
Instruction	458,558	458,797
Student Personnel Services	1,295	34,533
Instruction and Curriculum	7,768	7,404
Instructional Staff Training	2,881	82
Board Related	8,698	5,272
School Administration	172,870	59,367
Facilities Acquisition/Construction	-	4,183
Fiscal Services	51,455	55,620
Central Services	1,345	5,008
Community Services	43,127	15,783
Operation of Plant	80,646	60,129
Maintenance of Plant	8,774	11,944
Technology Services	2,421	6,313
Unallocated Depreciation	50,595	54,569
Total Expenses	890,433	779,004
Changes in Net Positon	(47,934)	90,009
Net Position - Beginning of Year	688,395	571,102
Restatement of Fund Balance	-	27,284
Net Position - End of Year	$ 640,461	$ 688,395

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated $109,731 in program revenues, $732,768 of general revenues, and incurred $890,433 of program expenses. This resulted in $47,934 decrease in net position.

MANAGEMENT DISCUSSION AND ANALYSIS
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA

THE SCHOOL'S INDIVIDUAL FUNDS

General Fund
The General Fund's fund balance is $164,763. Expenditures exceeded Revenues by $35,016.

Capital Projects Fund
The Capital Projects Fund's fund balance is $32,481. Revenues exceeded Expenditures by $24,103.

Capital Projects Fund - Building
Deficit of $114,748. Expenses exceeded revenues by $114,748.

Special Revenue Fund
The Special Revenue Fund's fund balance is $75,205. Expenditures exceeded Revenues by $2,220.

ESSER Fund
The ESSER Fund's fund balance is $0, as Revenues and Expenditures were both $67,229.

BUDGETARY HIGHLIGHTS

General Fund
A revised, supplemental budget was adopted during the year. There were no significant budget variances. Actual expenditures were less than budgeted expenditures by a total of $27,686.

ESSER Fund
A revised, supplemental budget was adopted during the year. There were no budget variances.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets
The School spent about $129,630 for capital assets during the year. Please refer to Note 3 to the accompanying financial statements entitled Capital Assets and Depreciation for more detailed information about the School's capital asset activity.

Debt Administration
The School has no long-term debt. However, the School does have a long-term lease with the City of Crystal River, Florida for the use of their facilities.

ECONOMIC FACTORS

We are not currently aware of any conditions that are expected to have a significant effect on the School's financial position or results of operations.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Vice Chair, 12695 West Fort Island Trail, Crystal River, Florida 33429.

FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA
JUNE 30, 2022

	2022
Assets	
Cash and Cash Equivalents	$ 137,259
Accounts Receivable	16,550
Prepaid Items	28,608
Capital Assets, Net	482,760
Total Assets	665,177
Liabilities	
Accounts Payable and Accrued Liabilities	24,716
Net Position	
Net Investment in Capital Assets	482,760
Restricted	126,471
Unrestricted	31,230
Total Net Position	$ 640,461

See accompanying notes.

STATEMENT OF ACTIVITIES
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA
FOR FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities					
Instruction	$ 458,558	$ -	$ 40,907	$ -	$ (417,651)
Student Personnel Services	1,295	-	-	-	(1,295)
Instruction and Curriculum	7,768	-	-	-	(7,768)
Instructional Staff Training	2,881	-	-	-	(2,881)
Board Related Expenses	8,698	-	-	-	(8,698)
School Administration	172,870	-	-	-	(172,870)
Fiscal Services	51,455	-	-	-	(51,455)
Central Services	1,345	-	-	-	(1,345)
Community Services	43,127	-	67,229	-	24,102
Operation of Plant	80,646	-	-	-	(80,646)
Maintenance of Plant	8,774	-	-	-	(8,774)
Technology Services	2,421	-	-	1,595	(826)
Unallocated Depreciation	50,595	-	-	-	(50,595)
Total Governmental Activities	$ 890,433	$ -	$ 108,136	$ 1,595	(780,702)
	General Revenues				
	Florida Education Finance Program				676,784
	Other Revenues				55,984
	Total General Revenues				732,768
	Change in Net Position				(47,934)
	Net Position, Beginning of Year				688,395
	Net Position, End of Year				$ 640,461

See accompanying notes.

BALANCE SHEET
GOVERNMENTAL FUNDS
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA
JUNE 30, 2022

	General Fund	Capital Projects Fund	Capital Projects Fund - Building	ESSER Fund	Misc Special Revenue Fund	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$ 33,417	$ 28,053	$ -	$ -	$ 75,789	$ 137,259
Accounts Receivable	1,610	4,428	-	10,512	-	16,550
Due from Other Funds	119,358	-	-	-	-	119,358
Prepaid Items	22,303	-	-	6,305	-	28,608
Total Assets	176,688	32,481	-	16,817	75,789	301,775
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable and Accrued Liabilities	11,925	-	-	12,207	584	24,716
Due to Other Funds	-	-	114,748	4,610	-	119,358
Total Liabilities	11,925	-	114,748	16,817	584	144,074
Fund Balances:						
Restricted	18,785	32,481	-	-	75,205	126,471
Non-Spendable - Prepaid Items	22,303	-	-	6,305	-	28,608
Unassigned	123,675	-	(114,748)	(6,305)	-	2,622
Total Fund Balances	164,763	32,481	(114,748)	-	75,205	157,701
Total Liabilities and Fund Balances	$ 176,688	$ 32,481	$ -	$ 16,817	$ 75,789	$ 301,775

See accompanying notes.

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Fund Balances - Governmental Funds	$	157,701
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not reported in the governmental funds:		
Capital Assets, Net of Accumulated Depreciation		482,760
Total Net Position - Governmental Activities	$	640,461

See accompanying notes.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Capital Projects Fund	Capital Projects Fund - Building	ESSER Fund	Misc Special Revenue Fund	Total Governmental Funds
Revenues						
Florida Education Finance Program	$ 676,784	$ -	$ -	$ -	$ -	$ 676,784
Public Education Capital Outlay	-	55,039	-	-	-	55,039
Education and Stabilization Fund	-	-	-	67,229	-	67,229
Other Revenue and Contributions	1,472	156	-	-	40,907	42,535
Total Revenues	678,256	55,195	-	67,229	40,907	841,587
Expenditures						
Current:						
Instruction	406,601	-	-	51,957	-	458,558
Student Personnel Services	-	-	-	1,295	-	1,295
Instruction and Curriculum	7,768	-	-	-	-	7,768
Instructional Staff Training	1,123	-	-	1,758	-	2,881
Board Related Expenses	8,698	-	-	-	-	8,698
School Administration	171,345	-	-	1,525	-	172,870
Fiscal Services	51,455	-	-	-	-	51,455
Central Services	464	-	-	881	-	1,345
Community Services	-	-	-	-	43,127	43,127
Operation of Plant	78,962	-	-	1,684	-	80,646
Maintenance of Plant	8,774	-	-	-	-	8,774
Technology Services	2,421	-	-	-	-	2,421
Capital Outlay	658	6,095	114,748	8,129	-	129,630
(Total Expenditures)	738,269	6,095	114,748	67,229	43,127	969,468
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,013)	49,100	(114,748)	-	(2,220)	(127,881)
Other Financing Sources (Uses)						
Transfers In	24,997	-	-	-	-	24,997
Transfers (Out)	-	(24,997)	-	-	-	(24,997)
Total Other Financing Sources (Uses)	24,997	(24,997)	-	-	-	-
Net Change in Fund Balances	(35,016)	24,103	(114,748)	-	(2,220)	(127,881)
Fund Balances, Beginning of Year	199,779	8,378	-	-	77,425	285,582
Fund Balances (Deficit), End of Year	$ 164,763	$ 32,481	$ (114,748)	$ -	$ 75,205	$ 157,701

See accompanying notes.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances	$	(127,881)
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 depreciated over the estimated useful lives:		
Expenditures for Capital Assets		129,630
Loss on Disposal of Capital Assets		(683)
Donated Assets (Net)		1,595
Current Year Depreciation Expense		(50,595)
Change in Net Position - Governmental Activities	$	(47,934)

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Academy of Environmental Science (the School) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Reporting Entity

The 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 not-for-profit corporation conducts business as the School. The governing body of the School is the not-for-profit corporation's Board of Directors, which is composed of eight members. The School is currently exempt from state and federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. Accordingly, no provision has been made for income tax liabilities or expenses.

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 Citrus County School District (the District). The current charter is effective until June 30, 2027, and may be renewed provided that a program review demonstrates that certain criteria addressed in Section 1002.33(7), Florida Statutes, have been successfully accomplished. 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 which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. Pursuant to Section 1002.33(8)(e), Florida Statutes, the charter school contract provides that in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds automatically revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

Criteria for determining if other entities are potential component units of the School which should be reported with the School's basic financial statements are identified and described in the Governmental Accounting Standards Board (GASB). The application of these criteria provide 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.

Certain services are provided by the District to the School.

Government-Wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the School. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. The School has no business-type activities. Any internal interfund activity has been eliminated from the government-wide financial statements.

The Statement of Net Position reports the School's financial position as of the end of the fiscal year. In this statement, the School's net position is reported in three categories:

- Net Investment in Capital Assets
- Restricted Net Position
- Unrestricted Net Position

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges for services that are directly related to a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements
The financial transactions of the School are reported in individual funds in the fund financial statements. The governmental fund statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The following governmental funds are used by the School:

General Fund — The General Fund is the general operating fund of the School. It is used to account for and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund — The Capital Projects Fund is primarily used to account for and report financial resources that are restricted to capital uses.

Capital Projects Fund—Building — The Capital Projects Fund - Building is primarily used to account for and report financial resources that are restricted for future repairs of the facility rented from the City of Crystal River.

ESSER Fund (Special Revenue Fund) — The ESSER Fund is primarily used to account for federal *Coronavirus Aid, Relief, and Economic Security Act* funding provided as emergency relief to address the impact of COVID-19 on the School.

Miscellaneous Special Revenue Fund—Internal Accounts — To account for resources of the Internal Accounts, which are used to administer monies collected at the District's schools in connection with school, class and club activities, and financial aid fee collections and expenditures. The fund is made up of all of the internal account activity of the School and are public funds under the control and supervision of the School, with the School principal having day-to-day responsibility over the funds.

Measurement Focus and Basis of Accounting
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both 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. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The School's revenue sources are considered to be susceptible to accrual and are recognized in the current fiscal period. Certain other revenue items may be considered to be measurable and available only when cash is received.

Cash and Cash Equivalents
All deposits that are placed in banks qualify as public depositories, as required by law (*Florida Security for Public Deposits Act*). Accordingly, all deposits are insured by federal depository insurance and/or collateralized pursuant to Chapter 280, Florida Statutes.

Due to Due From
Due to due froms were made to supplement cash deficits due to timing differences of receivables from state agencies or donor entities.

Capital Assets and Depreciation
Capital assets are defined by the School as assets with an initial, individual cost of $1,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Assets	Years
Furniture, Fixtures, and Equipment	3 – 10
Leasehold Improvements	7 – 40

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 Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during the designated FTE student survey periods. The School also receives other financial assistance. This assistance is generally based on applications submitted to, and approved by, the granting agency.

Charter School Capital Outlay Funds—Public Education Outlay Funds (PECO) are appropriated per Section 1013.62(1), Florida Statutes for capital outlay purposes. The Commissioner of Education allocates the funds among eligible charter schools.

Net Position

Net position represents the difference between assets and liabilities and is reported in three categories as hereafter described. Net investment in capital assets represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net position is reported as restricted when there are legal limitations imposed on its use by legislation, or external restrictions imposed by other governments, creditors, or grantors. Unrestricted net position does not meet the definitions of the classifications previously described.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Balance

The School follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance is described below:

- *Non-Spendable Fund Balance*—Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

- *Restricted Fund Balance*—Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

- *Committed Fund Balance*—Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the School's highest level of decision-making authority, which is a resolution of the Board of Directors. Committed amounts cannot be used for any other purpose unless the School removes those constraints by taking the same type of action.

- *Assigned Fund Balance*—Assigned fund balances are amounts that are constrained by the School's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the Board of Directors; or (b) a body or official to which the Board of Directors has delegated the authority to assign amounts to be used for specific purposes.

- *Unassigned Fund Balance*—Unassigned fund balance is the residual classification for the General Fund.

The School's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Compensated Absences
The School contracts with the District for employees; therefore, the liability for compensated absences of the School's personnel is reported by the District.

Income Taxes
The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes. The School is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2019.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Budgetary Information
An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. The fund is the legal level of control.

Subsequent Events
The School has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 17, 2023, the date the financial statements were available to be issued.

Note 2 - Lease

The School's facilities are owned by the City of Crystal River (the City). The School's current lease agreement with the City has been renewed until June 30, 2023, for $1 per year. The lease was renewed after the City received a letter from the Florida Department of Environmental Protection stating that the required construction and maintenance of a boardwalk and trail and other public access requirements had been met. Therefore, the lease payment was reduced to $1 annually through 2023. This letter was dated May 13, 2014. Rent paid in 2022 totaled $1. The future lease payment requirement is as follows:

Year Ending September 1,	Amount
2023	$ 1
Total	$ 1

Note 3 - Capital Assets and Depreciation

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Transfers/ Deletions	Balance June 30, 2022
Capital Assets				
Capital Assets Not Being Depreciated:				
Construction in Process	$ 13,608	$ 120,842	$ (19,702)	$ 114,748
Capital Assets Being Depreciated:				
Leasehold Improvements	752,736	-	19,702	772,438
Furniture, Fixtures, and Equipment	64,490	9,445	(4,237)	69,698
Total Capital Assets	830,834	130,287	(4,237)	956,884
Less Accumulated Depreciation:				
Leasehold Improvements	$ (382,532)	$ (42,278)	$ -	$ (424,810)
Furniture, Fixtures, and Equipment	(45,489)	(8,317)	4,492	(49,314)
Total Accumulated Depreciation	(428,021)	(50,595)	4,492	(474,124)
Total Capital Assets, Net	$ 402,813	$ 79,692	$ 255	$ 482,760

Depreciation expense for the fiscal year was $50,595.

Note 4 - Pension Plan/Other Postemployment Benefits (OPEB)

The School contracts with the District for employees; therefore, personnel of the School participate in the District's pension plan and will receive OPEB from the District. This information is described below:

Pension Plan

- *Plan Description*—The District contributes to the Florida Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The System provides retirement, disability, or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Florida Retirement System, PO Box 9000, Tallahassee, Florida 32315-9000, or by calling (850) 488-6491.

- *Funding Policy*—For the period June 30, 2021 through June 30, 2022, the employee contribution rate was 3.00%. The District is required to contribute for the School's employees at an actuarially determined rate. The employer contribution rate at June 30, 2022, was 10.82%.

- *GASB Pronouncement Statement No. 68*—As of and for the year ended June 30, 2022, the unfunded pension liability for the leased employees is recorded in the District financial statements due to the leased relationship. Therefore, the School will not have a GASB Pronouncement Statement No. 68 liability recorded in the Statement of Net Position.

OPEB Plan

- *Plan Description*—The OPEB Plan is a single-employer defined benefit plan administered by the District. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the District or its component unit, the School, are eligible to participate in the District's health and

prescription drug coverage. The District subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The District does not offer any explicit subsidies for retiree coverage. Retirees are assumed to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. The OPEB Plan does not issue a stand-alone report, and is not included in the report of a public employee retirement system or other entity. GASB Statement No. 75 is not applicable at the School level.

- *Funding Policy*—OPEB Plan contribution requirements of the District and OPEB Plan members are established and may be amended through recommendations of the administration and action from the Board of Directors. The District has not advance-funded or established a funding methodology for the annual OPEB costs or the net OPEB obligation, and the OPEB Plan is financed on a pay-as-you-go basis.

- *Annual OPEB Cost and Net OPEB Obligation*—For the period June 30, 2021 through June 30, 2022, the OPEB liability for the leased employees is recorded at the District level due to the leased relationship. Therefore, the School will not have an OPEB liability in the Statement of Net Position.

Note 5 - Schedule of State Revenue Sources

Source	Amount
Florida Education Finance Program	$ 541,807
Academic Instruction	35,006
Class Size Reduction	92,872
Classroom Supply Assistance	1,680
Other	5,419
Total	$ 676,784

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

Note 6 - Interfund Transfers

Transfers are recognized in the accounting period in which the interfund receivable and payable arise. Transfers are made from Capital Fund to General Fund, reimbursing property insurance and smaller maintenance projects.

Note 7 - Risk Management

The School is exposed to various risks of loss related to general liability, workers' compensation, health benefits, property damage, and errors and omissions. In accordance with the charter, the School is operating as a District-initiated school. As such, all of the District's risk management programs cover the School. However, the District does not have insurance to cover actions of the board members of the School. As a result, the School purchased commercial insurance with minimal deductibles to cover board member liability. There have been no claims filed since the inception of the School.

Note 8 - Commitment and Subsequent Events

On July 14, 2021, the Citrus County School District Director of Planning and Growth received communication from the City of Crystal River regarding the leased building. The City's engineer recommended that the building be inspected because concerns were raised regarding the materials utilized to build the facility and the impact of salt water. The School hired an engineer to inspect the building and it was determined that a phased-based repair approach would allow the building to be occupied while the repairs were completed. Immediate repairs were completed in the summer of 2021 for concrete column repair.

A second engineer was hired to complete the phase planning. The final plan included six items that were identified by priority and a timeline was established to complete the repairs. Phase I was completed in the summer of 2022. During the completion of Phase I, it was determined that the elevator had experienced water and termite damage and required immediate repair. This repair was completed in tandem with Phase I and added to the cost overages. The original costs were estimated to be $95,000, with actual costs of $114,748 as of fiscal year-end 2022.

Phase II is anticipated to be completed in summer of 2023 with an estimated cost of $200,000; Phase III in summer of 2024 with an estimated cost of $125,000; Phase IV in summer of 2025 with an estimated cost of $250,000; and Phase V in summer of 2026 with an estimated cost of $125,000.

The School completed extensive fundraising to meet the financial burden of repairs. Subsequent to fiscal year-end, the School received contributions of $435,613. Subsequent to fiscal year-end, the Board of Directors has approved the transfer of funds to pay for construction costs as purchase orders are needed.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Florida Education Finance Program	$ 738,305	$ 676,784	$ 676,784	$ -
Other Revenue	1,500	96,472	1,472	(95,000)
Total Revenues	739,805	773,256	678,256	(95,000)
Expenditures				
Current:				
Instruction	435,259	429,943	406,601	23,342
Instruction and Curriculum	39,944	7,768	7,768	-
Instructional Staff Training	-	1,123	1,123	-
Board Related	5,000	8,698	8,698	-
School Administration	182,145	171,345	171,345	-
Fiscal Services	31,717	51,455	51,455	-
Central Services	-	464	464	-
Operation and Maintenance of Plant	75,828	92,738	87,736	5,002
Technology Services	8,000	2,421	2,421	-
Capital Outlay	-	-	658	(658)
(Total Expenditures)	777,893	765,955	738,269	27,686
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,088)	7,301	(60,013)	(67,314)
Other Financing Sources (Uses)				
Transfers In	17,600	24,998	24,997	1
Transfers (Out)	-	24,997	-	24,997
Total Other Financing Sources (Uses)	17,600	49,995	24,997	24,998
Net Change in Fund Balances	(20,488)	57,296	(35,016)	(42,316)
Fund Balances, Beginning of Year	20,488	75,506	199,779	124,273
Fund Balances, End of Year	$ -	$ 132,802	$ 164,763	$ 81,957

Note to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. The fund is the legal level of control.

BUDGETARY COMPARISON SCHEDULE
ESSER
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ESSER			
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Education and Stabilization Funds	$ 26,418	$ 67,229	$ 67,229	$ -
Total Revenues	26,418	67,229	67,229	-
Expenditures				
Current:				
Instruction	26,418	51,957	51,957	-
Student Personnel Services	4,227	1,295	1,295	-
Instructional Staff Training	-	1,758	1,758	-
School Administration	-	1,525	1,525	-
Central Services	-	881	881	-
Operation and Maintenance of Plant	-	1,684	1,684	-
Capital Outlay	-	8,129	8,129	-
(Total Expenditures)	30,645	67,229	67,229	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,227)	-	-	-
Net Change in Fund Balances	(4,227)	-	-	-
Fund Balances, Beginning of Year	4,227	-	-	-
Fund Balances, End of Year	$ -	$ -	$ -	$ -

Note to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. The fund is the legal level of control.

ADDITIONAL ELEMENTS REQUIRED BY THE *RULES OF THE AUDITOR GENERAL*

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
Academy of Environmental Science
Citrus County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Academy of Environmental Science (the School), a component unit of the Citrus County School District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated March 17, 2023.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing 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 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the Schedule of Findings as item 2013-1, which we consider to be a significant deficiency.

To the Board of Directors
Academy of Environmental Science
Citrus County, Florida

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*

Report on Compliance and Other Matters

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

School's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the findings identified in our audit and described in the accompanying management response letter. The School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Purvis Gray

March 17, 2023
Ocala, Florida

SCHEDULE OF FINDINGS
ACADEMY OF ENVIRONMENTAL SCIENCE
CITRUS COUNTY, FLORIDA

2013-1 Lack of Segregation of Incompatible Duties for Financial Transactions (Significant Deficiency)

Criteria: Significant deficiency in internal control over the account transactions for the Academy of Environmental Science's (the School) Internal Accounts.

Condition: For internal account activity accounted for in the Special Revenue Fund, there is only one employee who has the sole responsibility to maintain the accounting records. Said employee also handles cash collections, cosigns checks, and reconciles bank statement balances to the accounting records. Internal control over cash transactions would be strengthened if these duties are separated among employees. While we acknowledge that personnel may not always be available to permit such a separation of employee duties and responsibilities, we think it is important that you are made aware of this condition.

Cause: The School's financial resources and size of operations only allows for one employee to perform all of the duties related to recording the deposits and disbursements related to the Internal Accounts.

Effect: The potential effect would be a deficiency in internal control wherein one individual could conceal an inappropriate transaction.

Recommendations: The School should develop mitigating controls to ensure that secondary reviews are performed by someone other than the one individual performing the transactions. This may include secondary reviews of the bank reconciliation process and detailed review of all accounting transactions by someone in administration. Currently the School does mitigate some of the risk by requiring secondary signatures on all checks and preapproval of invoices to be paid by an individual other than the current bookkeeper.

MANAGEMENT LETTER

To the Board of Directors
Academy of Environmental Science
Citrus County, Florida

Report on the Financial Statements
We have audited the financial statements of the Academy of Environmental Science (the School) as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated March 17, 2023.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.850, *Rules of the Auditor General*.

Other Reporting Requirements
We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.* Disclosures in that report, which is dated March 17, 2023, 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 following is a tabulation of uncorrected audit findings:

Current Year Finding No.	2020-2021 FY Finding No.	2019-2020 FY Finding No.
2013-1	2013-1	2013-1
2021-1	2021-1	

Official Title
Section 10.854(1)(e)5., *Rules of the Auditor General*, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the School are Academy of Environmental Science, 215.

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.

To the Board of Directors
Academy of Environmental Science
Citrus County, Florida

MANAGEMENT LETTER

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

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

Transparency
Sections 10.854(1)(e)7. and 10.855(13), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website 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 us to communicate non-compliance 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 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 Citrus County School District and is not intended to be, and should not be, used by anyone other than these specified parties.



March 17, 2023
Ocala, Florida

PURVIS GRAY

MANAGEMENT LETTER COMMENTS

Board of Directors
Academy of Environmental Science
Citrus County, Florida

Report on the Financial Statements
We have audited the financial statements of the Academy of Environmental Science (the School) as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated March 17, 2023. As a part of our audit, we offer the following recommendations to improve financial management, accounting procedures, and internal controls:

Prior Year Comments

2021-1 Budget Requirements
Governmental Accounting Standards Board Statement No. 30 Paragraph 130 states that budgetary comparison schedules should be presented as required supplementary information for the general fund and each major special revenue fund that has a legally adopted annual budget. For the year ended June 30, 2022, we noted no budget to actual schedule was presented in the financial statements as no budget was adopted by the School for the Special Revenue Fund (Internal Accounts).

There were no current year comments.

We would recommend management review necessary budgetary reporting requirements for the Special Revenue Fund (Internal Accounts) and consider adopting a budget for this fund in the future.

Purvis Gray

March 17, 2023
Ocala, Florida

Academy of Environmental Science

12695 West Fort Island Trail, Crystal River, FL 34429, (352) 795-8793, Fax (352) 249-2100

Michelle Leeper **Chairperson of Board of Directors**
Christopher Monrad **Vice-Chairperson of Board of Directors**

March 17, 2023

Purvis, Gray & Company, L.L.P.
Attn: Helen Y. Painter
2347 SE 17th Street
Ocala, FL 34471
Re: The Academy of Environmental Science's Audit

Dear Ms. Painter:

Regarding the above-referenced Audit, the District's Response is as follows:

2013-1 Lack of Segregation of Incompatible Duties for Financial Transactions
School's Response – The School acknowledges that due to staffing levels, duties cannot always be adequately separated. The Sponsor provides a compensating control of review to help mitigate any control issues.
The school added the Board Chair as second endorser on the bank account instead of the staff responsible for writing the checks. An administrator takes the deposits to the bank, as he is separate from the counting and recording of the daily deposits. The school has hired an additional support position that counts and receipts all funds and turns in appropriate paperwork to the bookkeeper.

2021-1 Budget Requirements
School's Response – Management will review necessary budgetary reporting requirements for the Special Revenue Fund (Internal Accounts) and consider adopting a budget for this fund in the 2023-2024 budget submission.

Sincerely,

Ernest Hopper

Ernest Hopper, Principal
Academy of Environmental Science