LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

Basic Financial Statements and Supplemental Information

June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Language & Literacy Academy for Learning, Inc.
Winter Haven, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Language & Literacy Academy for Learning, Inc. (the "School"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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. 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, budgetary comparison, and pension and retirement information on pages 4 to 8 and 31 to 36 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 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 School's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2023

Management's Discussion and Analysis

This discussion and analysis of the School's financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the School's financial statements, which follow this section.

Financial Highlights

- The School's overall net position decreased by $113,870
- Total ending unrestricted net position was a deficit of $1,266,209.
- The School had total expenses for the year of $5,731,398, compared to revenues of $5,617,528.
- The year ended June 30, 2023 was the School's fifth year of instruction during which the School educated 283 students, serving grades K-12, compared to 234 students for the prior year.
- During the current fiscal year, the School secured a $55,842 loan for a motor vehicle.

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 to be 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.

The School maintains three individual governmental funds, the General Fund, Debt Service Fund, and Special Revenue Fund. These funds are considered to be major funds and, accordingly, they are separately displayed.

Governmental funds. Governmental 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 fund's financial position. A reconciliation is provided with these statements, which helps to explain the differences between the fund financial statements and the government-wide financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of the School's financial position. In the case of the School, liabilities exceeded assets by $864,569 at June 30, 2023, compared to $750,699 at June 30, 2022.

Comparison of the condensed statement of net position (deficit) and the statement of activities are provided below:

The School's net position at June 30 was as follows:

	Governmental Activities		
	2023	2022	Change
Assets			
Current assets	$ 224,530	$ 140,932	$ 83,598
Right of use leased asset	101,951	388,905	(286,954)
Capital assets, net of accumulated depreciation	401,640	497,466	(95,826)
Total assets	728,121	1,027,303	(299,182)
Deferred outflows			
Related to changes in net position	1,452,767	1,612,609	(159,842)
Liabilities			
Current liabilities	219,869	43,511	176,358
Non-current liabilities	548,099	1,163,050	(614,951)
Net pension liability	2,092,814	1,042,153	1,050,661
Total liabilities	2,860,782	2,248,714	612,068
Deferred inflows			
Related to changes in net position	184,675	1,141,897	(957,222)
Net position (deficit)			
Investment in capital assets	401,640	497,466	(95,826)
Unrestricted (deficit)	(1,266,209)	(1,248,165)	(18,044)
Total net position (deficit)	$ (864,569)	$ (750,699)	$ (113,870)

Right of use leased asset and liabilities (non-current) each decreased by $286,954 as the building the school was leasing was sold and the new lessor amended the lease contract. Deferred outflows, net pension liability, and deferred inflows all of which pertain to pensions, changed in total by $253,281 during fiscal 2023.

The School's change in net position (deficit) was as follows:

	Governmental Activities		
	2023	2022	Change
Revenues:			
Program revenues:			
Operating grants and contributions	$ 231,789	$ 142,543	$ 89,246
Capital grants and contributions	-	44,090	(44,090)
ESSER	537,565	-	537,565
Title I	168,239	104,529	63,710
Medicaid	87,195	108,434	(21,239)
IDEA	389,277	311,388	77,889
General revenues:			
Florida Education Finance Program	3,898,849	2,967,920	930,929
Capital outlay	229,561	-	229,561
Donations	2,532	10,149	(7,617)
Fundraisers	-	9,539	(9,539)
Other local revenue	72,521	24,879	47,642
Debt forgiveness	-	466,431	(466,431)
Total revenue	5,617,528	4,189,902	1,427,626
Program expenses:			
Exceptional instruction	2,458,118	2,517,909	(59,791)
Student support services	1,045,414	-	1,045,414
Instructional support	-	15,134	(15,134)
Staff development	99,584	-	99,584
Board expenses	3,013	2,915	98
General administration	95,674	30,525	65,149
General support	632,274	616,086	16,188
Facility and acquisition	332,655	327,186	5,469
Fiscal services	54,695	42,620	12,075
Food services	236,804	171,322	65,482
Central services	64,180	1,595	62,585
Transportation	274,309	244,283	30,026
Operation of plant	325,983	259,763	66,220
Maintenance of plant	26,709	30,483	(3,774)
Administrative technology	-	13,804	(13,804)
Interest on long-term debt	81,986	57,894	24,092
Total expenses	5,731,398	4,331,519	1,399,879
Change in net position (deficit)	(113,870)	(141,617)	27,747
Net position (deficit) - beginning	(750,699)	(609,082)	(141,617)
Net position (deficit) - ending	$ (864,569)	$ (750,699)	$ (113,870)

The School's student enrollment increased from 234 full-time equivalent ("FTE") students for fiscal 2022 to 283 for fiscal 2023. The Florida Education Finance Program ("FEFP") revenues increased to match the enrollment increase. Fiscal 2023 was the first year of receipt of capital outlay funding since inception and debt forgiveness revenue decreased due to receipt of PPP loan debt forgiveness in the prior fiscal year. In addition, capital grants and contributions increased due to receipt of ESSER funding. Overall, the School's student support services increased due to increased funding through FEFP and ESSER which enabled the School to provide additional therapy to students. Also, staff development, general administration, food services, central services, and operation of plant increased to meet the increase in student enrollment.

Governmental Activities. The governmental activities generated $1,643,626 in program revenues and $3,973,902 of general revenues, and incurred $5,731,398 of program expenses. This resulted in a $113,870 decrease in net position.

The School's Individual Funds

General Fund. The fund balance of the General Fund decreased by $92,760 from $97,421 to $4,661.

Debt Service Fund. The fund balance of the Debt Service Fund remained the same at $0 after transfers to the General Fund of $409,983 which means that all debt funds were spent during the year.

Special Revenue Fund. The fund balance of the Special Revenue Fund remained the same at $0 after transfers to the General Fund of $1,414,065 which means that all special revenue funds were spent during the year.

Budgetary Highlights

General Fund. Actual revenues were greater than originally budgeted by $5,561. Actual expenditures were greater than originally budgeted expenditures by $662,441 primarily due to the School budgeting for additional FTE and expected instruction costs but were under budgeted. The Board of Directors amends the School's budget throughout the fiscal year to reflect changes in expected revenue and expenditures and changes in FTE counts. During fiscal 2023, the Board of Directors amended the final budget to actual, therefore, the final budget and actuals are the same. The budgetary information can be found on pages 31 through 32 of this report.

Capital Assets and Debt Administration

Capital Assets. The School's investment in capital assets for its governmental activities as of June 30, 2023, amounts to $401,640 (net of accumulated depreciation). This investment in capital assets include furniture, fixtures, and equipment, leasehold improvements, computer hardware and technology, and motor vehicles. Please refer to a note to the accompanying financial statements entitled capital assets and depreciation for more detailed information about the School's capital asset activity.

Debt Administration. During the current year, the School incurred a purchase of a motor vehicle for $55,842. From time to time the School incurs advances on their FEFP funding through a third party loan servicer. Please refer to a note to the accompanying financial statements entitled long-term liabilities for more detailed information about the School's long-term debt activity.

Economic Factors

In fiscal year 2023, the State of Florida continued to include a teacher salary increase allocation (TSIA) of $800 million. The capital outlay funding pool ended up at $196.2 million. In addition to the TSIA, teachers also received a compensation increase to align overall salaries with district levels.

For fiscal year 2024, the teacher salary increase allocation will be $1.1 billion and will continue to be part of FEFP funding. Additionally, the State of Florida approved an increase to the base funding allocation and capital outlay. A 3% merit increase for all staff was included in the budget. All other expenditures are budgeted in alignment with enrollment changes and the School's strategic objectives.

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 Dr. Callins, Principal, Language & Literacy Academy for Learning, Inc., 330 Avenue C South East, Winter Haven, FL 33880.

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

STATEMENT OF NET POSITION (DEFICIT)

June 30, 2023

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash	$ 126,513
Due from other agencies	68,017
Deposits	30,000
Total current assets	224,530
NONCURRENT ASSETS	
Right of use leased asset	101,951
Capital assets, net	401,640
Total assets	728,121
DEFERRED OUTFLOWS	
Related to changes in the net pension	1,452,767
LIABILITIES AND NET POSITION (DEFICIT)	
CURRENT LIABILITIES	
Accrued payroll	210,449
Accounts payable	9,420
Total current liabilities	219,869
NONCURRENT LIABILITIES	
Due within one year - long term debt	377,041
Due in more than one year - long term debt	69,107
Leased liabilities - due within one year	48,433
Leased liabilities - due in more than one year	53,518
Net pension liability	2,092,814
Total liabilities	2,860,782
DEFERRED INFLOWS	
Related to changes in the net pension	184,675
NET POSITION (DEFICIT)	
Investment in capital assets	401,640
Unrestricted	(1,266,209)
Total net position (deficit)	$ (864,569)

The accompanying notes are an integral part of these financial statements.

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

Functions/ Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
Exceptional instruction	$ 2,458,118	$ 87,195	$ 705,804	$ -	$ (1,665,119)
Student support services	1,045,414	-	-	-	(1,045,414)
Instructional staff training services	99,584	-	-	-	(99,584)
Board expenses	3,013	-	-	-	(3,013)
General administration	95,674	-	-	-	(95,674)
General support	632,274	-	-	389,277	(242,997)
Facility and acquisition	332,655	-	-	-	(332,655)
Fiscal services	54,695	-	-	-	(54,695)
Food services	236,804	-	231,789	-	(5,015)
Central services	64,180	-	-	-	(64,180)
Transportation	274,309	-	-	-	(274,309)
Operation of plant	325,983	-	229,561	-	(96,422)
Maintenance of plant	26,709	-	-	-	(26,709)
Interest on long-term debt	81,986	-	-	-	(81,986)
Total governmental activities	$ 5,731,398	$ 87,195	$ 1,167,154	$ 389,277	(4,087,772)
General revenues:					
State passed through local school district					3,898,849
Local revenue					75,053
Total general revenues					3,973,902
Change in net position					(113,870)
Net position (deficit) at July 1, 2022					(750,699)
Net position (deficit) at June 30, 2023					$ (864,569)

The accompanying notes are an integral part of these financial statements.

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023

	General Fund	Debt Service Fund	Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash	$ 126,513	$ -	$ -	$ 126,513
Due from other agencies	-	-	68,017	68,017
Due from other funds	68,017	-	-	68,017
Deposits	30,000	-	-	30,000
Total assets	$ 224,530	$ -	$ 68,017	$ 292,547
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accrued payroll	$ 210,449	$ -	$ -	$ 210,449
Accounts payable	9,420	-	-	9,420
Due to other funds	-	-	68,017	68,017
Total liabilities	219,869	-	68,017	287,886
FUND BALANCES				
Nonspendable				
Deposits	30,000	-	-	30,000
Unassigned	(25,339)	-	-	(25,339)
Total fund balances	4,661	-	-	4,661
Total liabilities and fund balances	$ 224,530	$ -	$ 68,017	$ 292,547

The accompanying notes are an integral part of these financial statements.

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION (DEFICIT)

June 30, 2023

Fund balances - total governmental funds		$ 4,661
The net position reported for governmental activities in the statement of net position is different because:		
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		101,951
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:		
Furniture, fixtures, and equipment, net of $79,235 of accumulated depreciation	$ 44,553	
Leasehold improvements, net of $257,079 of accumulated depreciation	223,156	
Computer hardware and technology, net of $64,334 of accumulated depreciation	51,312	
Motor vehicles, net of $8,672 of accumulated depreciation	82,619	
Total capital assets		401,640
Long-term debt are not due and payable in the current period and, therefore, not reported in the funds.		(446,148)
Leased liabilities		(101,951)
Net pension liability and related deferred inflows/outflows are not due and payable in the current period and, therefore, are not reported in the funds.		(824,722)
Total net position (deficit) of governmental activities		$ (864,569)

The accompanying notes are an integral part of these financial statements.

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

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

Year Ended June 30, 2023

	General Fund	Debt Service Fund	Special Revenue Fund	Total Governmental Funds
Revenues				
Federal passed through state				
National School Lunch Program	$ -	$ -	$ 231,789	$ 231,789
Grants	-	-	537,565	537,565
Title I	-	-	168,239	168,239
Medicaid	-	-	87,195	87,195
IDEA	-	-	389,277	389,277
State passed through local school district				
Florida Education Finance Program	3,898,849	-	-	3,898,849
Capital outlay	229,561	-	-	229,561
Local revenue				
Donations	2,532	-	-	2,532
Other local revenues	72,521	-	-	72,521
Total revenues	4,203,463	-	1,414,065	5,617,528
Expenditures				
Current:				
Exceptional instruction	2,157,021	-	-	2,157,021
Student support services	1,045,414	-	-	1,045,414
Instructional staff training services	99,584	-	-	99,584
Board expenses	3,013	-	-	3,013
General administration	95,674	-	-	95,674
General support	632,203	-	-	632,203
Facility and acquisition	236,607	-	-	236,607
Fiscal services	54,695	-	-	54,695
Food services	236,804	-	-	236,804
Central services	64,180	-	-	64,180
Transportation	274,309	-	-	274,309
Operation of plant	374,092	-	-	374,092
Maintenance of plant	26,709	-	-	26,709
Debt service:				
Principal	-	3,344,533	-	3,344,533
Interest	-	81,986	-	81,986
Total expenditures	5,300,305	3,426,519	-	8,726,824
Excess (deficiency) of revenues over (under) expenditures	(1,096,842)	(3,426,519)	1,414,065	(3,109,296)
Other financing sources (uses):				
Loan proceeds	-	3,016,536	-	3,016,536
Transfer in	1,004,082	-	-	1,004,082
Transfer out	-	409,983	(1,414,065)	(1,004,082)
Total other financing sources (uses)	1,004,082	3,426,519	(1,414,065)	3,016,536
Net change in fund balances	(92,760)	-	-	(92,760)
Fund balances at July 1, 2022	97,421	-	-	97,421
Fund balances at June 30, 2023	$ 4,661	$ -	$ -	$ 4,661

The accompanying notes are an integral part of these financial statements.

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

Net change in fund balances - total government funds		$ (92,760)
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report fixed capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Current year expenditures for capital assets	$ 55,842	
Current year depreciation expense	(151,668)	
Total capital assets		(95,826)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Proceeds from note payable		(55,842)
Proceeds from Charter School Capital advance		(2,960,694)
Principal payments on long-term debt		3,344,533
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:		
Net pension	(1,050,661)	
Deferred inflows related to net pension	957,222	
Deferred outflows related to net pension	(159,842)	
		(253,281)
Change in net position of governmental activities		$ (113,870)

The accompanying notes are an integral part of these financial statements.

NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Language & Literacy Academy for Learning, Inc. 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 began conducting business as Language & Literacy Academy for Learning, Inc. (the "School") in December 2017. The governing body of the School is the not-for-profit corporation's Board of Directors.

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 School Board of Polk County, Florida (the "District"). The current charter is effective until June 30, 2028, 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's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. 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.

2. Government-wide financial statements

The government-wide financial statements (the Statement of Net Position (Deficit) and the Statement of Activities) report information on all of the 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 activity has been eliminated from the government-wide financial statements.

NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide financial statements (continued)

The Statement of Net Position (deficit) 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; and 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.

3. 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 funds are used by the School:

GOVERNMENTAL FUNDS

General Fund - The general fund is the general operating fund of the School. It is used to account for all financial resources, except those associated with grants that are restricted to specified uses.

Debt Service Fund - The debt service fund is used to account for the resources accumulated and payments made for principal and interest on the debt.

Special Revenue Fund - The special revenue fund is used to account for financial resources associated with grants that are restricted to operational uses – i.e., National School Lunch Program, Idea funds, CSP grant, ESSER, Medicaid, etc.

In the accompanying fund financial statements, the general fund, debt service fund, and special revenue fund are considered to be major funds and, therefore, are separately displayed.

4. 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.

NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Measurement focus and basis of accounting (continued)

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.

Most revenues are considered to be susceptible to accrual and have been measured in the current fiscal period. Certain other items are considered to be measurable and available only when cash is received.

5. Cash

Cash consists of deposits in financial institutions. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. At June 30, 2023, there were $0 held in excess of FDIC insurance coverage. The School has no policy regarding deposit custodial credit risk.

6. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid assets are reported as "non-spendable" in the funds financial statements to indicate that prepaid items do not represent available expendable resources.

7. Capital assets and depreciation

Capital assets are defined by the School as assets with an initial, individual cost of $750 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 on the date of donation. Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Furniture, fixtures and equipment	5
Leasehold improvements	5
Computer hardware and technology	5
Motor vehicles	10

NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Leases

The School is a lessee for an building lease. The School recognizes a lease liability and an intangible right-to-use lease asset (lease-asset) in the government-wide financial statements. At the commencement of a lease, the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight line basis over the useful life.

9. 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 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 Educational Finance Program and the actual weighted FTE students reported by the School during the designated full-time equivalent 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.

10. Long-term liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Long-term liabilities are not reported in the governmental funds because governmental funds use the current financial resources measurement focus.

11. 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 is net position that does not meet the definition 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.

NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12. Fund equity

Governmental funds report separate classifications of fund balance.

Non-Spendable: The non-spendable fund balance classification includes 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: The restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School's Board of Directors.

Assigned: Assigned fund balance is defined as amounts that are constrained by the intent of the School's Board of Directors to be used for specific purposes, but are neither restricted nor committed. The School has given the authority to assign fund balance to the School's Principal. Assigned fund balance includes spendable fund balance amounts established by the Principal that are intended to be used for specific purposes that are neither considered restricted or committed. Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or (b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues. Assigned fund balance shall reflect management's intended use of resources as set forth each year by the Principal. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

Unassigned: Unassigned fund balance is the residual classification for the general fund.

It is the policy of the School to use restricted resources to the extent which they are available, then committed resources, followed by assigned resources. Once these are consumed, the School will then use unassigned resources. The School does not have a formal policy requiring a minimum fund balance.

NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)

13. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make various estimates. Actual results could differ from those estimates.

14. Transfers

The purpose of interfund transfers is to cover receipts and payments made from the general fund on behalf of the other funds.

15. Pensions

In the government-wide statement of net position, liabilities are recognized for the School's proportionate share of each pension plan's net pension. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan, the Health Insurance Subsidy (HIS) defined benefit plan, and additions to/deductions from the FRS and the HIS, fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

16. Deferred outflows/ inflows of resources

In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. 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 that time. Deferred inflows of resources, represents an acquisition of net position that applies to a future period.

17. Income taxes

Language and Literacy Academy for Learning Inc. is a charter school, which qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Management has analyzed the School's various federal and state filing positions, including those pertaining to charter academy contracts and tax exempt status, and believes that its income tax filing positions and deductions are well documented and supported, and that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded. The School remains subject to the examination by the Internal Revenue Service for the three years prior to June 30, 2023.

NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)

18. New GASB implementation

GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), in May 2020. GASB 96 increases the usefulness of governments' financial statements by requiring recognition of certain assets and liabilities for SBITAs that previously recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for SBITAs accounting based on the foundational principle that SBITAs are financings of the right to use an underlying asset. The provisions in GASB 96 were implemented in the year ended June 30, 2023. The implementation of the new pronouncement did not have any impact on the financial statements as the School does not hold any SBITAs.

NOTE B - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets depreciated:				
Furniture, fixtures, and equipment	$ 123,788	$ -	$ -	$ 123,788
Leasehold improvements	480,235	-	-	480,235
Computer hardware and technology	115,646	-	-	115,646
Motor vehicles	35,449	55,842	-	91,291
Total assets depreciated	755,118	55,842	-	810,960
Less accumulated depreciation:				
Furniture, fixtures, and equipment	54,477	24,758	-	79,235
Leasehold improvements	161,031	96,048	-	257,079
Computer hardware and technology	41,205	23,129	-	64,334
Motor vehicles	939	7,733	-	8,672
Total accumulated depreciation	257,652	$ 151,668	$ -	409,320
Total governmental activities capital assets, net	$ 497,466			$ 401,640

Depreciation expense for 2023 included in the Statement of Activities is as follows:

Facility and acquisition	$ 96,048
Exception instruction	47,803
Operation of plant	7,733
General support	84
Total governmental activities depreciation expense	$ 151,668

NOTE C - CONCENTRATIONS

Revenue sources

As stated in Note A-8, the School receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources and amounts:

Source	Amount
School Board of Polk County, Florida:	
FEFP	$ 1,669,042
ESE guarantee allocation	1,194,568
Supplemental academic instruction	70,925
Safe schools	17,092
Compression allocation	16,594
Teacher salary increase allocation	85,733
Discretionary local effort	126,199
Discretionary millage	100,850
Instructional materials allocation	23,743
Student transportation	229,700
Prior year adjustments	(1,272)
Proration to funds available	3,039
Class size reduction	341,247
Reading allocation	18,284
Teacher Lead program	3,105
Federal passed through state	
National School Lunch Program	231,789
IDEA funds	389,277
Medicaid	87,195
ESSER III	537,565
Title I	168,239
Capital Outlay	229,561
Total passed through The School Board of Polk County, Florida	5,542,475
Local revenue	
Donations	2,532
Other local revenues	72,521
Total general revenues	$ 5,617,528

The administration fee paid to the District during the year ended June 30, 2023, totaled $95,674.

NOTE D - LONG-TERM LIABILITIES

The School entered into various loan agreements during the year ended June 30, 2023. The following is a summary of changes:

	Long-term obligations at July 1, 2022	Additions	Reductions	Long-term obligations at June 30, 2023	Due within one year
Charter School Capital	$ 739,600	$ 2,960,694	$ (3,336,294)	$ 364,000	$ 364,000
Note - Vehicle #1	34,545	-	(5,034)	29,511	5,762
Note - Vehicle #2	-	55,842	(3,205)	52,637	7,279
	$ 774,145	$ 3,016,536	$ (3,344,533)	$ 446,148	$ 377,041

Charter School Capital

The School has a receivable purchase agreement with Charter School Capital, Inc. ("Charter School Capital") for purchasing of receivable balances of District FEFP funds. The School receives advances against the receivables for operational needs. The advances have no fixed payment and are considered to be due within one year, carrying interest rates at the date of advance based upon short-term LIBOR and Prime interest rates. During fiscal 2023, payments for interest totaled $76,577, with rates between approximately 0.09% to 5.00%.

Note Payable – Vehicle #1

On March 18, 2022, the School entered into a six-year note payable for $35,449 for the purchase of a motor vehicle. Monthly principle and interest payments total $522 through April 2028. At June 30, 2023, payments for interest totaled $607.

Note Payable – Vehicle #2

On September 20, 2022, the School entered into a six-year note payable for $55,842 for the purchase of a motor vehicle. Monthly principle and interest payments total $1,113 through October 2028. At June 30, 2023, payments for interest totaled $4,802.

Future maturities of the notes payable as of June 30, are as follows:

2024	$ 13,041
2025	14,119
2026	15,327
2027	16,683
2028	17,780
Thereafter	5,198
	$ 82,148

NOTE E - OPERATING LEASE

Beginning July 2018, the School leases its facilities under an operating lease with an unrelated party that expires in June 2021 and was subsequently renewed through October 2023. Minimum monthly lease payments include $15,500 plus utilities and applicable sales and use tax, for the life of the agreement. Effective March 2023, the monthly lease payment amount was changed to $13,000 and renewed through June 30, 2024 with no renewal options. The School is working with Charter School Capital to secure a new school facility.

Effective October 2020, the School leases three modular classroom buildings for student instruction with an unrelated party that expires September 2025. Monthly lease payments include rent and personal property tax of $4,163.

Lease expense for the year ended June 30, 2023 totaled $232,613, which is included in facility and acquisition of the accompanying financial statements.

The School, as the lessee, is recognizing a lease asset of $101,951 and lease liability of $101,951 for the present value of lease obligations as of June 30, 2023.

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

	Principal	Interest	Total
2024	$ 48,433	$ 1,517	$ 49,950
2025	49,362	588	49,950
2026	4,156	7	4,163
	$ 101,951	$ 2,112	$ 104,063

NOTE F - EMPLOYEE RETIREMENT SYSTEMS

General Information about the Pension Plan – Plan Description and Administration

The School participates in the Florida Retirement System (FRS), a multiple-employer, cost sharing defined public employee retirement system which covers all of the School's full-time employees. The System is a noncontributory retirement plan, administered by the State of Florida, Department of Administration, Division of Retirement to provide retirement and survivor benefits to participating public employees. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a single retirement system administered by the Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer retirement plans and other nonintegrated programs. These include a defined-benefit pension plan (Plan), with a Deferred Retirement Option Program (DROP), and a defined-contribution plan, referred to as the FRS Investment Plan (Investment Plan).

NOTE F - EMPLOYEE RETIREMENT SYSTEMS (continued)

General Information about the Pension Plan – Plan Description and Administration (continued)

In addition, all regular employees of the School are eligible to enroll as members of the Retiree Health Insurance Subsidy (HIS) Program. The HIS is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided and Employees Covered

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Deferred Retirement Option Program (DROP), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months.

During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

NOTE F - EMPLOYEE RETIREMENT SYSTEMS (continued)

Benefits Provided and Employees Covered (continued)

Employees may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular, DROP, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service.

Financial Statements

Financial statements and other supplementary information of the FRS are included in the State's Comprehensive Annual Financial Report, which is available from the Florida Department of Financial Services, Bureau of Financial Reporting Statewide Financial Reporting Section by mail at 200 E. Gaines Street, Tallahassee, Florida 32399-0364; by telephone at (850) 413-5511; or at the Department's Web site (www.myfloridacfo.com). An annual report on the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from:

Florida Department of Management Services
Division of Retirement, Research and Education Services P.O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

General Information about the Pension Plan – Plan Description and Administration

Contributions

The School participates in certain classes of FRS membership. Each class has descriptions and contribution rates in effect at June 30, 2023, as follows (contribution rates are in agreement with the actuarially determined rates):

FRS Membership Plan & Class	Employee Contribution Rate	Employee Contribution Rate
Regular Class	3.00%	11.91%
Senior Management	3.00%	31.57%
DROP Employees	0.00%	18.60%

NOTE F - EMPLOYEE RETIREMENT SYSTEMS (continued)

Contributions (continued)

Current-year employer HIS contributions were made at a rate of 1.66% of covered payroll, included in the above rates.

Actual contributions made for School employees participating in FRS and HIS for the plan year ended June 30, 2023, were as follows:

School Contributions - FRS	$	184,933
School Contributions - HIS	$	36,760
Employee Contributions - FRS	$	65,074

At June 30, 2023, the School Reported a net pension liability related to FRS and HIS as follows:

Plan	Net Pension Liability
FRS	$ 1,431,205
HIS	661,609
Total	$ 2,092,814

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, as actuarially determined.

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2023, the School's proportionate share of the FRS and HIS net pension liabilities were as follows:

Plan	Share
FRS	0.003846493%
HIS	0.006246550%

NOTE F - EMPLOYEE RETIREMENT SYSTEMS (continued)

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (continued)

For the plan year ended June 30, 2023, pension expense was recognized related to the FRS and HIS plans as follows:

FRS	$ 350,979
HIS	124,008
Total	$ 474,987

Deferred outflows/inflows related to pensions:

At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to pensions were recorded from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 67,974	$ -	$ 20,081	$ 2,911
Changes of assumptions	176,259	-	37,924	102,351
Net difference between projected and actual investment earnings	94,502	-	958	-
Change in proportionate share	421,178	7,889	412,198	71,524
Contributions subsequent to measurement date	184,933	-	36,760	-
	$ 944,846	$ 7,889	$ 507,921	$ 176,786

The above amounts for deferred outflows of resources for contributions related to pensions resulting from employer contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions being amortized for a period of greater than one year will be recognized in pension expense in succeeding years as follows:

Fiscal Years ending June 30,	FRS	HIS
2024	$ 231,919	$ 78,692
2025	180,912	83,801
2026	84,959	87,046
2027	242,239	53,859
2028	11,994	(3,627)
Thereafter	-	(5,397)
Total	$ 752,023	$ 294,374

NOTE F - EMPLOYEE RETIREMENT SYSTEMS (continued)

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (continued)

Actuarial assumptions:

The actuarial assumptions for both defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS was completed in 2020 for the period July 1, 2013, through June 30, 2018. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS investments is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the PUB-2010 base table with projected generationally with Scale MP-2018.

Long-term expected rate of return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in October 2018, the FRS Actuarial Assumptions conference reviewed long-term assumptions developed by both Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

NOTE F - EMPLOYEE RETIREMENT SYSTEMS (continued)

Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (continued)

Asset Class	Target Allocation	Long-Term Arithmetic Expected Rate of Return
Cash	1.0%	2.6%
Fixed income	19.8%	4.4%
Global equities	54.0%	8.8%
Real estate	10.3%	7.4%
Private equity	11.1%	12.0%
Strategic investments	3.8%	6.2%
Total	100.0%	

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the proportionate shares of the FRS and HIS net pension liability of the School calculated using the current discount rates, as well as what the School's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

Plan	Current Discount Rate	NPL with 1% Decrease	NPL at Current Discount Rate	NPL with 1% Increase
FRS	6.70%	$ 2,475,170	$ 1,431,205	$ 558,325
HIS	3.54%	756,935	661,609	582,729

NOTE G - SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2023, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND

Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
State passed through local school district				
Florida Education Finance Program	$ 3,885,510	$ 3,898,849	$ 3,898,849	$ -
Capital outlay	-	229,561	229,561	-
Federal passed through state				
Medicaid	279,881	-	-	-
Local revenue				
Donations	32,488	2,532	2,532	-
Other local revenues	23	72,521	72,521	-
Total revenues	4,197,902	4,203,463	4,203,463	-
Expenditures				
Current:				
Exceptional instruction	2,827,924	2,157,021	2,157,021	-
Student support services	1,068	1,045,414	1,045,414	
Instructional staff training services	3,610	99,584	99,584	-
Classroom costs	15,678	-	-	-
Board expenses	6,027	3,013	3,013	-
General administration	-	95,674	95,674	-
General support	658,338	632,203	632,203	-
Facility and acquisition	238,310	236,607	236,607	-
Fiscal services	39,793	54,695	54,695	-
Food services	200,853	236,804	236,804	-
Central services	-	64,180	64,180	-
Transportation	242,937	274,309	274,309	-
Operation of plant	314,288	374,092	374,092	-
Maintenance of plant	65,418	26,709	26,709	-
Administrative technology	23,620	-	-	-
Total expenditures	4,637,864	5,300,305	5,300,305	-
Excess (deficiency) of revenues over (under) expenditures	(439,962)	(1,096,842)	(1,096,842)	-
Other financing sources (uses):				
Transfer	-	1,004,082	1,004,082	-
Total other financing sources (uses)	-	1,004,082	1,004,082	-
Net change in fund balance	(439,962)	(92,760)	(92,760)	-
Fund balance at July 1, 2022	97,421	97,421	97,421	-
Fund balance (deficit) at June 30, 2023	$ (342,541)	$ 4,661	$ 4,661	$ -

See note to required supplemental information.

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND

Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Federal passed through state				
National School Lunch Program	$ 173,146	$ 173,146	$ 231,789	$ 58,643
Grants	485,164	485,164	1,014,037	528,873
Title I	127,924	127,924	168,239	40,315
Title II	7,807	7,807	-	(7,807)
Total revenues	794,041	794,041	1,414,065	620,024
Expenditures				
Exceptional instruction	-	-	-	-
Food services	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	794,041	794,041	1,414,065	620,024
Other financing sources (uses):				
Transfer	-	-	(1,414,065)	1,414,065
Total other financing sources (uses)	-	-	(1,414,065)	1,414,065
Net change in fund balance	794,041	794,041	-	794,041
Fund balance at July 1, 2022	-	-	-	-
Fund balance at June 30, 2023	$ 794,041	$ 794,041	$ -	$ 794,041

See note to required supplemental information.

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
LAST 10 FISCAL YEARS AS OF JUNE 30

	2023	2022	2021	2020
Florida Retirement System (FRS)				
Proportion of the net pension liability	0.003846493%	0.003881624%	0.003795843%	0.001440509%
Proportionate share of the net pension liability (asset)	$ 1,431,205	$ 293,213	$ 1,645,174	$ 496,091
Covered-employee payroll	$ 2,213,915	$ 2,276,426	$ 2,163,717	$ 2,496,403
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	64.65%	12.88%	76.03%	19.87%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%
Health Insurance Subsidy Program (HIS)				
Proportion of the net pension liability	0.006246550%	0.006105463%	0.007044213%	0.002184023%
Proportionate share of the net pension liability (asset)	$ 661,609	$ 748,927	$ 859,833	$ 244,370
Covered-employee payroll	$ 2,213,915	$ 2,276,426	$ 2,163,717	$ 2,496,403
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	29.88%	32.90%	39.74%	9.79%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the School will present information for only those years for which information is available.

See notes to required supplemental information.

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

SCHEDULE OF CONTRIBUTIONS -
LAST 10 FISCAL YEAR AS OF JUNE 30

	2023	2022	2021	2020
Florida Retirement System (FRS)				
Contractually required contribution	$ 184,933	$ 164,137	$ 147,873	$ 126,119
Contributions in relation to the contractually required contribution	(184,933)	(164,137)	(147,873)	(126,119)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 2,213,915	$ 2,276,426	$ 2,163,717	$ 2,496,403
Contributions as a percentage of covered-employee payroll	8.35%	7.21%	6.83%	5.05%
Health Insurance Subsidy (HIS)				
Contractually required contribution	$ 36,760	$ 37,797	$ 35,888	$ 40,581
Contributions in relation to the contractually required contribution	(36,760)	(37,797)	(35,888)	(40,581)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 2,213,915	$ 2,276,426	$ 2,163,717	$ 2,496,403
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.63%

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the School will present information for only those years for which information is available.

See notes to required supplemental information.

NOTE A - BUDGETARY INFORMATION

Budgetary basis of accounting

Annual budgets are adopted for the entire operations and may be amended by the Board of Directors (the "Board"). Budgets are adopted on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general fund and the debt service fund for which a legally adopted budget exists.

NOTE B - PENSIONS SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FRS PENSION PLAN

The Florida Retirement System Actuarial Assumptions Conference performs an annual review of the actuarial assumptions for the FRS Pension Plan. The most recent study for the FRS Pension Plan was completed in 2014 for the period of July 1, 2008 through June 30, 2013. There were no changes in the Pension Plan benefit terms. The following were changes in actuarial assumptions in 2023:

- The inflation rate assumption remained the same at 2.4 percent.
- Payroll growth, including inflation, remained at 3.25 percent.
- The long-term expected rate of return remained the same at 6.7 percent.

A summary of key changes in plan provisions are described in the Florida Department of Management Services, GASB 68 Reporting Information, which can be found at:
http://www.dms.myflorida.com/workforceoperations/retirement/publications/annual reports

A summary of key changes implemented since the latest valuation are described in the Florida Department of Management Services, Actuarial Valuations at:
http://www.dms.myflorida.com/workforceoperations/retirement/publications/actuarial valuations

NOTE C - PENSIONS SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HIS PENSION PLAN

The Florida Retirement System Actuarial Assumptions Conference performs an annual review of the actuarial assumptions for the FRS Pension Plan. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent study for the FRS Pension Plan was completed in 2014 for the period of July 1, 2008 through June 30, 2013. There were no changes in the HIS Program benefit terms. The following were changes in actuarial assumptions in 2023:

- The inflation rate assumption remained the same at 2.4 percent.
- Payroll growth, including inflation, remained at 3.25 percent.
- The long-term expected rate of return remained the same at 6.7 percent.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program.

A summary of key changes in plan provisions are described in the Florida Department of Management Services, GASB 68 Reporting Information, which can be found at: http://www.dms.myflorida.com/workforceoperations/retirement/publications/annual_reports

A summary of key changes implemented since the latest valuation are described in the Florida Department of Management Services, Actuarial Valuations at: http://www.dms.myflorida.com/workforceoperations/retirement/publications/actuarial valuations

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Florida Institute of Certified Public Accountants

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 of
Language & Literacy Academy for Learning, Inc.
Winter Haven, 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 Language & Literacy Academy for Learning, Inc. (the "School"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 30, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Language & Literacy Academy for Learning, Inc.
Winter Haven, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Language & Literacy Academy for Learning, Inc.'s (the "School"), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2023. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Language & Literacy Academy for Learning, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

Auditor's Responsibilities for the Audit of Compliance (continued)

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2023

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS

June 30, 2023

Section I – Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued:	Unmodified
2. Internal control over financial reporting:	
a. Material weakness(es) identified?	No
b. Significant deficiencies identified that are not considered to be material weaknesses?	None reported
3. Noncompliance material to financial statements noted?	No

Federal Awards

1. Type of auditor's report issued on compliance for major programs:	Unmodified
2. Internal control over major programs:	
a. Material weakness(es) identified?	No
b. Significant deficiencies identified that are not considered to be material weaknesses?	None reported
3. Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
4. Dollar threshold used to distinguish between Type A and Type B programs	$750,000
5. Auditee qualified as a low-risk auditee?	No

Identification of major programs:

Name of Federal Programs	ALN
American Rescue Plan – Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U
Special Education – Grants to States (IDEA, Part B) Fund	84.027

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FEDERAL AWARDS

June 30, 2023

Section II – Financial Statement Findings

No current year findings (no corrective action plan or management letter required)

Section III – Federal Findings and Questioned Costs

None (there are no items related to Federal Programs required to be reported in the management letter, therefore no management letter issued)

Section IV – Status of Prior Year Audit Findings

None reported (no corrective action plan or management letter required

LANGUAGE & LITERACY ACADEMY FOR LEARNING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

Grantor/Program Title	ALN	Award Number	Expenditures
Federal Awards:			
U.S. Department of Agriculture:			
Passed through Florida Department of Agriculture and Consumer Services			
National School Lunch Program	10.555	25586	$ 231,789
Total Child Nutrition Cluster			231,789
U.S. Department of Education:			
Passed through Florida Department of Education and School Board of Polk County, Florida			
Title I Grants to Local Educational Agencies	84.010	n/a	168,239
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	COVID-19, 84.425U	530-1211K-2C001 530-1211A-2C001	537,565
Special Education - Grants to States (IDEA, Part B)	84.027	n/a	389,277
Total passed through Florida Department of Education			1,095,081
U.S. Department of Health			
Passed through Florida Department of Health and Human Services			
Medical Assistance Program (Medicaid; Title XIX)	93.778	n/a	87,195
Total passed through Florida Department of Health and Human Services			87,195
Total Expenditures of Federal Awards			$ 1,414,065

Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Indirect Cost Rates

The School has elected to not use the 10% de minimis indirect cost rate for its federal programs for the year ended June 30, 2023. The indirect cost rates used on the School's federal programs are determined by the relevant federal agency.

See independent auditor's report.

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MANAGEMENT LETTER

To the Board of Directors of
Language & Literacy Academy for Learning, Inc.
Winter Haven, Florida

Report on the Financial Statements

We have audited the financial statements of Language & Literacy Academy for Learning, Inc. (the "School"), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 30, 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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 the Financial Statements Performed in Accordance with *Government Auditing Standards,* Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance required by the Uniform Guidance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated September 30, 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. In connection with our audit, the School did not have prior year findings.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is *Language & Literacy Academy for Learning, Inc. and 8008.*

Financial Condition and Management

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

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

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

Transparency

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

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate 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 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 Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the District School Board of Polk County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2023

MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES

For the year ended June 30, 2023, there were no management finding, recommendations or responses.