

**SCHOOL FOR ACCELERATED  
LEARNING AND TECHNOLOGIES, INC.  
FINANCIAL STATEMENTS  
JUNE 30, 2015**

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
JUNE 30, 2015**

**GOVERNING BOARD**

<b>MEMBER</b>	<b>OFFICE</b>
Evelyn Tukes	President
Angel Tompkins	Vice-President
Vacancy	Secretary
Alvenia Derban	Director
Kevin Grant	Director
Monte King	Director
Vacancy	Director

**ADMINISTRATION**

Michael LaRoche	Principal
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AND TECHNOLOGIES, INC.  
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JUNE 30, 2015**

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## INDEPENDENT AUDITORS' REPORT

To the Governing Board,  
School for Accelerated Learning and  
Technologies, Inc.:

We have audited the accompanying financial statements of the governmental activities and each major fund of the School for Accelerated Learning and Technologies Jacksonville, Inc. (a component unit of the Duval County School District), hereby known as "the School" as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

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## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School as of June 30, 2015 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Change in Accounting Principle***

As discussed in Note 4 to the financial statements, in 2015 SALTech adopted Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

### ***Required Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2015 on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*James Moore & Co., P.L.C.*

Tallahassee, Florida  
November 2, 2015

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

This section of School for Accelerated Learning and Technologies, Inc.'s annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the School's financial statements, which immediately follow this section.

## OVERVIEW OF THE FINANCIAL STATEMENTS

### **The Financial Statements**

The financial statements presented herein include all of the activities of the School for Accelerated Learning and Technologies, Inc. (the "School") using the integrated approach as prescribed by GASB Statement Number 34.

The Government-Wide Financial Statements present the financial picture of the School from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the School as well as all liabilities. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables. Governmental Activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

The Fund Financial Statements include statements for the governmental activities. The Governmental Funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

The Primary unit of the government is the School Board of Duval County, Florida.

## FINANCIAL HIGHLIGHTS OF THE PAST YEAR

An overview of significant financial information from the current year includes:

- The school's total net position increased by \$136 thousand.
- Total governmental fund revenues exceeded expenditures by \$110 thousand.
- Capital assets, net of depreciation, increased by \$14 thousand.
- The School's governmental funds reported combined ending fund balances of \$807 thousand.
- The School was in solid financial health at fiscal year-end with an ending general fund balance of 106% as a percentage of current year expenditures.

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015  
(Continued)**

REPORTING THE SCHOOL AS A WHOLE

**The Statement of Net Position and the Statement of Activities**

The *Statement of Net Position* and the *Statement of Activities* report information about the School as a whole and about its activities. These statements include *all* assets and liabilities of the School using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School's *net position* and changes in net position. Net position is the difference between assets and liabilities, one way to measure the School's financial health, or *financial position*. Over time, *increases or decreases* in the School's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the School's revenue base and the condition of the School's capital assets.

The relationship between revenues and expenses is the School's operating results. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the School. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we designate the School activities as follows:

**Governmental activities**—All of the School's services are reported in this category. This includes the education of high school students, and the on-going effort to improve and maintain capital assets. Revenues received from the Florida Education Finance Program through the Duval Public School system, Federal grants and miscellaneous local revenues finance these activities.

REPORTING THE SCHOOL'S MOST SIGNIFICANT FUNDS

**Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the School as a whole. Some funds are required to be established by State law. However, management may establish various funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies that it receives.

**Governmental funds**—The School's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. The differences between

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015  
(Continued)**

the governmental fund financial statements and the government-wide financial statements are explained in reconciliations following each governmental fund financial statement.

THE SCHOOL AS A WHOLE

**Net Position**

The School's net position was \$674 thousand for the fiscal year ended June 30, 2015. Of this amount, \$130 thousand was deficit unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants, grantors, constitutional provisions and enabling legislation that limit the School's ability to use net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the School's governmental activities. In addition, beginning net position was restated due to the implementation of GASB 68 on pension liabilities (see note 4 to the financial statements).

**Table 1**

	<b>Net Position June 30, 2014</b>	<b>Net Position June 30, 2015</b>
Current and other assets	\$ 705,961	\$ 835,465
Noncurrent assets	144,022	157,977
Total Assets	849,983	993,442
Deferred outflows	-	39,979
Net pension liability	-	206,395
Current liabilities	8,697	28,396
Total Liabilities	8,697	234,791
Deferred inflows	-	124,675
Net position		
Net Investment in capital assets	144,022	157,957
Restricted for capital projects	592,536	646,221
Unrestricted	104,728	(130,243)
Total Net Position	\$ 841,286	\$ 673,935

The deficit of \$130 thousand in unrestricted net position of governmental activities represents the accumulated results of all past years' operations.

**Changes in Net Position**

The results of this year's operations for the School as a whole are reported in the Statement of Activities on page 10. Table 2 takes the information from the Statement and rearranges it slightly to more readily identify the total revenues for the year.



**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015  
(Continued)**

**Table 2**

	<b>Governmental Activities June 30, 2014</b>	<b>Governmental Activities June 30, 2015</b>
Revenues		
General Revenues:		
State of Florida Education Finance Program	\$ 713,755	\$ 707,317
Public Education Capital Outlay Program	89,511	55,791
Federal Grants	-	104,122
Other General Revenues	33,839	864
Total Revenues	837,105	868,094
Expenses		
Instruction-related Services	450,233	412,011
Support Services	376,997	300,251
Maintenance and Operation of Plant	26,265	12,350
Depreciation	34,749	6,664
Total Expenses	888,244	731,276
Change in Net Position	\$ (51,139)	\$ 136,818

**Governmental Activities**

In Table 3, we have presented the cost of the School's three largest operational functions - basic instruction, school administration, fiscal services, as well as each program's net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the general public by each of these functions. Providing this information allows citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Basic Instruction	\$ 396,103	\$ 396,103
School Administration	249,489	249,489
Fiscal Services	39,949	39,949
Total	\$ 685,541	\$ 685,541

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015  
(Continued)**

THE SCHOOL'S FUNDS

As the School completed this year, the governmental funds reported a combined fund balance of \$807,069 (Table 4).

**Table 4**

	<b>Fund Balance June 30, 2014</b>	<b>Fund Balance June 30, 2015</b>
General Fund	\$ 104,728	\$ 121,022
Public Education Capital Outlay	592,536	646,221
Special Revenue Fund	-	39,826
Totals	\$ 697,264	\$ 807,069

**General Fund Budgetary Highlights**

During the course of the fiscal year, the School revised its General Fund Budget in order to deal with unexpected changes in revenue and expenditures. The Governing Board adopts its initial budget based on projected enrollment and the corresponding projected revenues. Amendments are primarily required to reflect changes in revenue estimates from the State of Florida Education Finance Program (FEFP) as actual enrollments are determined. A schedule showing the School's original and final budget amounts compared with actual amounts paid and received is provided in our annual report on pages 28 and 29.

CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets**

At June 30, 2015, the School had \$157,957 in a broad range of capital assets (net of depreciation), including furniture and equipment, and computer software (Table 5).

**Table 5**

	<b>Governmental Activities June 30, 2014</b>	<b>Governmental Activities June 30, 2015</b>
Furniture and Equipment	\$ 249,815	\$ 249,815
Computer Software	89,270	89,270
Building Improvements	21,636	21,636
Construction in Progress	130,709	151,308
Accumulated Depreciation	(347,408)	(354,072)
Totals	\$ 144,022	\$ 157,957

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015  
(Continued)**

SIGNIFICANT ACCTIVITIES DURING FISCAL YEAR 2014-2015 ARE NOTED BELOW:

- The School's enrollment was 133 students.
- The School had a graduating class of 50 for the 2014-2015 fiscal year.
- The School continued a construction project to add facilities for future expansion.

#### ECONOMIC FACTORS

The economic position of the school for general operating is closely tied to that of the State. The formula for determining funding for education is set by Florida Statute. State funds to charter schools are provided primarily by legislative appropriations from the State's general revenue funds under the Florida Education Finance Program (FEFP), and the State funding for operations is primarily from sales, gasoline, and corporate income taxes. Additionally, the level of tourism in the State heavily influences the amount of taxes collected. Significant changes in State revenue collections could directly impact future School revenue allocations.

#### CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Michael LaRoche, the Principal, at 904-360-8200.

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

<b>Assets</b>	
Current Assets	
Cash	\$ 789,566
Deposits	1,667
Receivables	44,232
Total Current Assets	<u>835,465</u>
Noncurrent Assets	
Construction in Progress	151,308
Capital Assets	360,721
Less: Accumulated Depreciation	<u>(354,072)</u>
Total Capital Assets	157,957
<b>Total Assets</b>	<u>993,422</u>
<b>Deferred Outflows</b>	
Related to changes in the net pension liability	<u>39,979</u>
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	28,396
Net Pension Liability	206,395
<b>Total Liabilities</b>	<u>234,791</u>
<b>Deferred Inflows</b>	
Related to changes in the net pension liability	<u>124,675</u>
<b>Net Position</b>	
Net investment in Capital Assets	157,957
Restricted for Capital Projects	646,221
Unrestricted	<u>(130,243)</u>
Total Net Position	<u>\$ 673,935</u>

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

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction	\$ 396,103	\$ -	\$ 104,122	\$ -	\$ (291,981)
Instruction media	8,806	-	-	-	(8,806)
Instruction and Curriculum Development Services	4,862	-	-	-	(4,862)
Instruction staff training services	2,240	-	-	-	(2,240)
Board	4,207	-	-	-	(4,207)
School Administration	249,489	-	-	-	(249,489)
Facilities Acquisition and Construction	-	-	-	55,791	55,791
Fiscal Services	39,949	-	-	-	(39,949)
Pupil transportation	360	-	-	-	(360)
Operation of Plant	12,350	-	-	-	(12,350)
Administrative technology services	6,246	-	-	-	(6,246)
Depreciation (unallocated)	6,664	-	-	-	(6,664)
Total Governmental Activities	<u>\$ 731,276</u>	<u>\$ -</u>	<u>\$ 104,122</u>	<u>\$ 55,791</u>	<u>(571,363)</u>

General revenues:

State aid not restricted to specific purposes	707,317
Miscellaneous	864

Subtotal, General Revenues 708,181

**Change in Net Position** 136,818

Net Position - Beginning, as restated 537,117

Net Position - Ending \$ 673,935

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

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2015**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Current Assets				
Cash	\$ 149,418	\$ 640,148	\$ -	\$ 789,566
Due from Other Agencies	-	-	39,826	\$ 39,826
Deposits	-	1,667	-	1,667
Receivables	-	4,406	-	4,406
<b>Total Assets</b>	<u>\$ 149,418</u>	<u>\$ 646,221</u>	<u>\$ 39,826</u>	<u>\$ 835,465</u>
<b>Liabilities and Fund Balances</b>				
Current Liabilities				
Accounts Payable	\$ 28,396	\$ -	\$ -	\$ 28,396
<b>Total Liabilities</b>	<u>28,396</u>	<u>-</u>	<u>-</u>	<u>28,396</u>
<b>Fund Balances</b>				
Restricted	-	646,221	39,826	686,047
Unassigned	121,022	-	-	121,022
<b>Total Fund Balances</b>	<u>121,022</u>	<u>646,221</u>	<u>39,826</u>	<u>807,069</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 149,418</u>	<u>\$ 646,221</u>	<u>\$ 39,826</u>	<u>\$ 835,465</u>

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

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

**Total Fund Balance - Governmental Funds** \$ 807,069

Amounts reported for Governmental Activities in the  
Statement of Net Position are Different Because:

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported as assets in  
governmental funds

Cost of capital assets	512,029	
Accumulated depreciation	<u>(354,072)</u>	157,957

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. (291,091)

**Total Net Position - Governmental Activities** \$ 673,935

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

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>				
Federal Through State	\$ -	\$ -	\$ 104,122	\$ 104,122
State	707,317	55,791	-	763,108
Local	864	-	-	864
<b>Total Revenues</b>	<u>708,181</u>	<u>55,791</u>	<u>104,122</u>	<u>868,094</u>
<b>Expenditures</b>				
Instruction	409,179	-	-	409,179
Instruction media	8,806	-	-	8,806
Instruction and curriculum development Services	4,862	-	-	4,862
Instruction staff training services	2,240	-	-	2,240
Board	4,207	-	-	4,207
School Administration	246,814	2,676	-	249,490
Facilities Acquisition and Construction	-	20,600	-	20,600
Fiscal Services	39,949	-	-	39,949
Pupil transportation	360	-	-	360
Operation of Plant	12,350	-	-	12,350
Administrative technology services	6,246	-	-	6,246
<b>Total expenditures</b>	<u>735,013</u>	<u>23,276</u>	<u>-</u>	<u>758,289</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(26,832)</u>	<u>32,515</u>	<u>104,122</u>	<u>109,805</u>
<b>Other financing sources (uses)</b>				
Transfers in	84,479	41,353	-	125,832
Transfers out	(41,353)	(20,183)	(64,296)	(125,832)
<b>Total other financing sources (uses)</b>	<u>43,126</u>	<u>21,170</u>	<u>(64,296)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>16,294</u>	<u>53,685</u>	<u>39,826</u>	<u>109,805</u>
<b>Fund Balance, Beginning</b>	104,728	592,536	-	697,264
<b>Fund Balance, Ending</b>	<u>\$ 121,022</u>	<u>\$ 646,221</u>	<u>\$ 39,826</u>	<u>\$ 807,069</u>

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



**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

**Total Net Change in Fund Balances - Governmental Funds** \$ 109,805

Amounts Reported for Governmental Activities in the  
Statement of Activities are Different Because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statements of activities. This is the amount by which depreciation of capital assets exceeds capital outlays for the period.

Capital outlays	20,600	
Depreciation expense	<u>(6,664)</u>	<u>13,936</u>

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 liability	124,137	
Deferred outflows related to net pension liability	13,615	
Deferred inflows related to net pension liability	<u>(124,675)</u>	13,077

**Change in Net Position of Governmental Activities** \$ 136,818

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

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(1) **Summary of Significant Accounting Policies:**

(a) **Financial reporting entity**—The School for Accelerated Learning and Technologies, Inc. (the “School”) was organized in 2003 under the laws of the State of Florida. The School operates under a seven-member Board form of government and provides educational services to students in grades nine through twelve. The School is located at 4811 Payne Stewart Drive, Jacksonville Florida, 32209 and had an enrollment of 154 students.

The School is a non-profit public benefit corporation that was incorporated July 31, 2003. On April 6, 2004, the School Board of Duval County, Florida granted to the School a charter to operate. The purpose of the School is to provide educational services as a partner with the Florida Job Corps center.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the School consists of all funds, departments, boards, and agencies that are not legally separate from the School. For School for Accelerated Learning and Technologies, Inc., this includes general operations and student related activities of the School.

**Component units**—Component units are legally separate organizations for which the School is financially accountable. Component units may include organizations that are fiscally dependent on the School in that the School approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the School is not financially accountable but the nature and significance of the organization’s relationship with the School is such that exclusion would cause the School’s financial statements to be misleading or incomplete. The School has no component units. However, the School is considered a component unit of the Duval Public School system.

(b) **Description of government wide financial statements**—The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities are normally supported by intergovernmental revenues, and other nonexchange transactions.

(c) **Basis of presentation – government wide financial statements**—While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(1) **Summary of Significant Accounting Policies:** (Continued)

(d) **Basis of presentation – fund financial statements**—The fund financial statements provide information about the School’s funds. Separate statement for the fund category, governmental, is presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The School uses the following governmental funds:

**General Fund**—The general fund is used to record the general operations of the School pertaining to education and those operations not provided for in other funds.

**Capital Projects Fund**—The capital projects fund is used to account for financial resources to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and major maintenance projects.

(e) **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 recognized in the period earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Amounts reported as program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Items not properly included among program revenues, such as monies received from the Duval County School Board, are reported as general revenues.

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

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Measurement focus and basis of accounting** (Continued)

All governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available. Available means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. The principal exceptions to this are: principal and interest on general long-term debt, which are recorded as expenditures only when payment is due.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

(f) **Cash and cash equivalents**—The School's cash and cash equivalents are considered to be cash on hand and demand deposits.

(g) **Restricted assets**—Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation.

(h) **Capital assets and depreciation**—The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the School as a whole. The School maintains a capitalization threshold of \$1,000. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated. Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are 5 years.

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(1) **Summary of Significant Accounting Policies:** (Continued)

(i) **Accrued liabilities**—All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

(j) **Estimates**—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(k) **Net position flow assumption**—Sometimes the School will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

(l) **Fund balance flow assumptions**—Sometimes the School will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

(m) **Fund balance policies**—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s highest level of decision-making authority. The School Board is the highest level of decision making authority for the School that can, by passing a motion prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the School for specific purposes but do not meet the criteria to be classified as committed. The School Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(1) **Summary of Significant Accounting Policies:** (Continued)

(n) **Budgetary data**—The budgetary process is prescribed by provisions of the laws of Florida and requires the governing board to adopt an operating budget each year. The School governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major function at year end.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

(o) **Income taxes**—The School is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements. The School files income tax returns in the U.S. Federal jurisdiction. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination. The School has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the School.

(p) **Pensions**—For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deductions from FRS's fiduciary net position have been determined on the same basis as they are reported by FRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(q) **Subsequent events**—Subsequent events have been evaluated through November 2, 2015, which is the date the financial statements were available to be issued.

(2) **Cash and Cash Equivalents:**

(a) **Policies and practices**—The School maintains demand deposits with qualified depository financial institutions.

(b) **Deposits**—At year-end, the carrying amounts of the School's demand deposits were \$789,566 for governmental activities. The bank balances totaled \$809,417. Of the bank balances, \$250,000 was covered by Federal deposit insurance and the remaining \$559,417 was covered by pooled and/or pledged collateral, but not necessarily held in the School's name.

(c) **Custodial credit risk-deposits**—In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned.

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(3) **Capital Assets:**

All capital asset additions were acquired with public funds. Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	<b>Balance July 1, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2015</b>
<b>Governmental Activities</b>				
Capital assets being depreciated				
Buildings and improvements	\$ 21,636	\$ -	\$ -	\$ 21,636
Computer software	89,270	-	-	89,270
Furniture and equipment	249,815	-	-	249,815
Total capital assets being depreciated	360,721	-	-	360,721
Less: Accumulated depreciation				
Buildings and improvements	21,041	469	-	21,510
Computer software	113,381	5,041	-	118,422
Furniture and equipment	212,986	1,154	-	214,140
Total accumulated depreciation	347,408	6,664	-	354,072
Capital assets not being depreciated				
Construction in progress	130,709	20,599	-	151,308
<b>Governmental activities</b>				
<b>Capital assets, net</b>	<b>\$ 144,022</b>	<b>\$ 13,935</b>	<b>\$ -</b>	<b>\$ 157,957</b>

During the year ended June 30, 2015, \$6,664 was charged to depreciation expense.

**Governmental Activities**  
Unallocated

\$ 6,664

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(4) **Employee Retirement Systems:**

(a) **General Information about the Pension Plan:**

Essentially all regular employees of the School are eligible to enroll as members of the State-administered Florida Retirement System (FRS). 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).

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, 2014, 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.

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 4 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.



**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(4) **Employee Retirement Systems:** (Continued)

(a) **General Information about the Pension Plan:** (Continued)

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.

Participate in the Investment Plan in lieu of the FRS defined-benefit plan. School employees participating in DROP are not eligible to participate in this program. 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, Elected County Officers, 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.

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during the 2014-2015 fiscal year were as follows:

<u>Class</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
FRS – Regular	3.00	7.37
Drop – Applicable to members from all of the above	0.00	12.28
FRS – Reemployed Retiree	(B)	(B)

Notes: a) Employer rates include 1.26 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.03 percent for administrative costs of the Investment Plan.

b) Contribution rates are dependent upon retirement class in which reemployed.

The School's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the School. The School's contributions including employee contributions for the fiscal years ended June 30, 2013, June 30, 2014, and June 30, 2015 totaled 38,940, 47,633, and 45,709, respectively, which were equal to the required contributions for each fiscal year.

There were 12 School participants in the Investment Plan during the 2014-2015 fiscal year. The School's contributions including employee contributions to the Investment Plan totaled \$5,933, which was equal to the required contribution for the 2014-2015 fiscal year.

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(4) **Employee Retirement Systems:** (Continued)

(a) **General Information about the Pension Plan:** (Continued)

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](http://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 the Florida Department of Management Services, Division of Retirement, Research and Education Section, by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877)377-1737 or (850)488-5706; by e-mail at [rep@dms.myflorida.com](mailto:rep@dms.myflorida.com); or at the Division's Web site ([www.frs.myflorida.com](http://www.frs.myflorida.com)).

(b) **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

At June 30, 2015, the School reported a liability of \$ 206,395 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's 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 school Schools, actuarially determined. At June 30, 2014 and June 30, 2013, the School's FRS proportion was 0.00095598263903612% and 0.00108240487783475% percent, respectively. At June 30, 2014 and June 30, 2013, the School's HIS proportion was 0.00158355596981827% and 0.00165631622018095% percent, respectively. For the year ended June 30, 2015, the School recognized pension expense of -\$13,078. At June 30, 2015, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
FRS - Change of assumptions	\$ 10,102	\$ -
FRS - Net difference between projected and actual earnings on pension plan investments	-	97,302
FRS - Changes in proportion and differences between School contributions and proportionate share of contributions	-	18,308
FRS - Difference between expected and actual experience	-	3,610
FRS - School contributions subsequent to the measurement date	19,916	-
HIS - Change of assumptions	5,269	-
HIS - Net difference between projected and actual earnings on pension plan investments	71	-
HIS - Changes in proportion and differences between School contributions and proportionate share of contributions	-	5,455
HIS - School contributions subsequent to the measurement date	4,621	-
Total	<u>\$ 39,979</u>	<u>\$ 124,675</u>

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(4) **Employee Retirement Systems:** (Continued)

(b) **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** (Continued)

The \$19,916 and \$4,621 reported as deferred outflows of resources related to pensions resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30</u>	<u>Amount</u>
2016	\$ (26,567)
2017	(26,567)
2018	(26,567)
2019	(26,567)
2020	(2,259)
2021	(702)
2022	(4)
Total	<u>\$ (109,233)</u>

*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 2014 for the period July 1, 2008, through June 30, 2013. Because HIS is funded on a pay-as-you-go basis, no experience study has been completed for this program.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2014, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.60%. Payroll growth 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 7.65%. 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 4.29% was used to determine was used to determine the total pension for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables (refer to the valuation reports for more information – See Note 5).

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(4) **Employee Retirement Systems:** (Continued)

(b) **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Cash	1.0%	3.10%
Intermediate-term bonds	18.0	4.05
High Yield bonds	3.0	6.25
Broad US Equities	26.5	6.95
Developed Foreign Equities	21.2	6.85
Emerging Markets	5.3	7.60
Private Equities	6.0	8.11
Hedge Funds/Absolute Return	7.0	5.35
Real Estate	12	6.35
Total	<u>100.0%</u>	

*Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate.* The following presents the School's FRS and HIS proportionate share of the net pension liability calculated using the current discount rate, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (6.65%)</u>	<u>FRS Current Discount Rate (7.65%)</u>	<u>1% Increase (8.65%)</u>
School's FRS proportionate share of net pension liability(asset)	\$ 249,481	\$ 58,329	\$ (100,673)

	<u>1% Decrease (3.29%)</u>	<u>HIS Current Discount Rate (4.29%)</u>	<u>1% Increase (5.29%)</u>
School's HIS proportionate share of net pension liability	\$ 168,413	\$ 148,066	\$ 131,082

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued FRS financial report.

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(4) **Employee Retirement Systems:** (Continued)

(b) **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** (Continued)

*Restatement of Net Position.* GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions, in June 2012, which replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, and GASB 50, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. The provisions in GASB 68 are effective for fiscal years beginning after June 15, 2014 and therefore was implemented this year. The impact on the governmental activities June 30, 2014, unrestricted net position was a decrease of \$304,169.

(5) **Commitments and Contingencies:**

**Litigation**—The School is not currently a party to any legal proceedings.

(6) **Risk Management:**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Loss mitigation is provided through purchased commercial insurance. Health and hospitalization insurance coverage is provided to school employees through purchased commercial insurance. Insurance coverage for fiduciary and student accident are provided by commercial insurance.

Settled claims resulting from insurance coverage above have not exceeded purchased insurance coverage for the past three fiscal years.

(7) **Donated Use of Facilities:**

The Job Corp Center provides space for the School to operate its educational programs on their property under a written agreement. The School does not pay rent under this agreement. The value of this donation and other services is approximately \$43,725 and is not recognized in the accompanying financial statements.

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

(8) **Transfers:**

The following is a summary of interfund transfers reported in the governmental fund financial statements:

	<b>Interfund</b>	
	<b>Transfers In</b>	<b>Transfers Out</b>
Funds:		
General fund	\$ 84,479	\$ 41,353
Special revenue fund	-	64,296
Capital projects fund	41,353	20,183
Total	<u>\$ 125,832</u>	<u>\$ 125,832</u>

The transfers are used to move revenues to finance various programs that must be accounted for in other funds.

(9) **Receivables:**

For the year ended June 30, 2015 the School had a receivable of \$4,406 due to the capital projects fund and \$39,826 due to the special revenue fund from a local government.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Budget</b>		<b>Actual (GAAP Basis)</b>	<b>Variances - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
<b>Revenues</b>				
State	\$ 724,000	\$ 724,000	\$ 707,317	\$ (16,683)
Local	-	-	864	864
Total Revenues	<u>724,000</u>	<u>724,000</u>	<u>708,181</u>	<u>(15,819)</u>
<b>Expenditures</b>				
Instruction	378,942	378,942	409,179	(30,237)
Instruction media	-	-	8,806	(8,806)
Instruction and Curriculum Development Services	3,917	3,917	4,862	(945)
Instructional staff training services	200	200	2,240	(2,040)
Board	600	600	4,207	(3,607)
General Administration	36,200	36,200	-	36,200
School Administration	217,959	217,959	246,814	(28,855)
Fiscal Services	59,313	59,313	39,949	19,364
Pupil transportation	-	-	360	(360)
Operation of Plant	13,221	13,221	12,350	871
Administrative technology services	7,892	7,892	6,246	1,646
Community services	500	500	-	500
Total Expenditures	<u>718,744</u>	<u>718,744</u>	<u>735,013</u>	<u>(16,269)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>5,256</u>	<u>5,256</u>	<u>(26,832)</u>	<u>(32,088)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	84,479	84,479
Transfers out	-	-	(41,353)	(41,353)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>43,126</u>	<u>43,126</u>
<b>Net change in fund balances</b>	<u>5,256</u>	<u>5,256</u>	<u>16,294</u>	<u>11,038</u>
<b>Fund balance, Beginning</b>	104,728	104,728	104,728	-
<b>Fund balance, Ending</b>	<u>\$ 109,984</u>	<u>\$ 109,984</u>	<u>\$ 121,022</u>	<u>\$ 11,038</u>

The accompanying notes are an integral  
part of this schedule.



**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -  
LAST 10 FISCAL YEAR AS OF JUNE 30**

	<b>2014</b>
<b>Florida Retirement System (FRS)</b>	
Proportion of the net pension liability (asset)	0.000955983%
Proportionate share of the net pension liability (asset)	\$ 58,329
Covered-employee payroll	\$ 470,490
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.40%
Plan fiduciary net position as a percentage of the total pension liability	96.09%
<b>Health Insurance Subsidy Program (HIS)</b>	
Proportion of the net pension liability (asset)	0.001583556%
Proportionate share of the net pension liability (asset)	\$ 148,066
Covered-employee payroll	\$ 470,490
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.47%
Plan fiduciary net position as a percentage of the total pension liability	0.99%

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.

The accompanying notes are an integral  
part of this schedule.

**SCHOOL FOR ACCELERATED LEARNING  
AND TECHNOLOGIES, INC.  
SCHEDULE OF CONTRIBUTIONS -  
LAST 10 FISCAL YEAR AS OF JUNE 30**

	<b>2015</b>	<b>2014</b>
<b><u>Florida Retirement System (FRS)</u></b>		
Contractually required contribution	34,703	33,518
Contributions in relation to the contractually required contribution	\$ (34,703)	\$ (33,518)
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 392,831	\$ 470,490
Contributions as a percentage of covered-employee payroll	8.83%	7.12%
<b><u>Health Insurance Subsidy Program (HIS)</u></b>		
Contractually required contribution	\$ 5,933	\$ 5,787
Contributions in relation to the contractually required contribution	\$ (5,933)	\$ (5,787)
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 392,831	\$ 470,490
Contributions as a percentage of covered-employee payroll	1.51%	1.23%

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.

The accompanying notes are an integral  
part of this schedule.

**INDEPENDENT AUDITORS' 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 Governing Board,  
School for Accelerated Learning  
and Technologies, Inc.:

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the School for Accelerated Learning and Technologies, Inc. ("the School") as of and for the year ended June 30, 2015, and related notes to the financial statements which collectively comprise the School's basic financial statements and have issued our report thereon dated November 2, 2015.

***Internal Control over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

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

### **Purpose of this Report**

Auditing standards generally accepted in the United States of America require us to indicate that 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.

*James Moore & Co., P.L.*

Tallahassee, Florida  
November 2, 2015

**MANAGEMENT LETTER OF INDEPENDENT AUDITORS  
REQUIRED BY CHAPTER 10.850, RULES OF THE AUDITOR GENERAL**

To the Governing Board,  
School for Accelerated Learning  
and Technologies, Inc.:

**Report on the Financial Statements**

We have audited the financial statements of the School for Accelerated Learning and Technologies, Inc. (“the School”), as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated November 2, 2015.

**Auditors’ Responsibility**

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 and Chapter 10.850, Rules of the Auditor General.

**Other Reporting Required by *Government Auditing Standards***

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated November 2, 2015, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

**Official Title**

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is the School for Accelerated Learning and Technologies Jacksonville, Inc.

### **Financial Condition**

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

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

### **Transparency**

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

### **Other Matters**

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

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

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Duval County District School Board, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*James Moore & Co., P.L.C.*

Tallahassee, Florida  
November 2, 2015