

Alachua Learning Academy Middle School

A middle school program of  
Alachua Learning Center, Inc.

*A Component Unit of the Alachua County District School Board*

Financial Statements  
And  
Independent Auditors' Reports

**June 30, 2024**

**KATTELL AND COMPANY, P.L.**

*Certified Public Accountants Serving the Nonprofit Community.*

**808-B NW 16<sup>th</sup> Avenue  
Gainesville, Florida 32601**

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# Financial Statements and Independent Auditors' Reports

June 30, 2024

## Alachua Learning Academy Middle School

*A Component Unit of the Alachua County District School Board*

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# Kattell and Company, P.L.

*Certified Public Accountants Serving the Nonprofit Community*

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Alachua Learning Center, Inc.

October 14, 2024

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### Report on the Audit of the Financial Statements

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#### Opinions

We have audited the special purpose financial statements of the governmental activities and each major fund of Alachua Learning Academy Middle School (the School), a middle school program of Alachua Learning Academy, Inc., a component unit of the Alachua County District School Board, as of and for the year ended June 30, 2024, 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 accompanying 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, 2024, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

#### Emphasis of Matter

*Special Purpose Statements.* As discussed in Note 1, the financial statements of the School are intended to present the financial position and changes in financial position of the governmental activities and each major fund of the School. They do not purport to, and do not, present fairly the financial position of the Alachua Learning Center, Inc., as of June 30, 2024, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

#### 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.

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**Report on the Audit of the Financial Statements (concluded)**

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**Auditors' 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 GAAS 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 GAAS 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 management's discussion and analysis and budgetary comparison information 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.

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**Other Reporting Required by Government Auditing Standards**

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In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2024, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School's internal control over financial reporting and compliance.

*Kattell and Company, P.L.*

*"Not everything that counts can be counted, and not everything that can be counted counts."*

-Albert Einstein

# **Management's Discussion and Analysis**

**June 30, 2024**

## **Alachua Learning Academy Middle School**

*A Component Unit of the Alachua County District School Board*

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, 2024. Please read it in conjunction with the School's financial statements, which follow this section.

Alachua Learning Center, Inc. operates as two different schools, a middle school and an elementary school. Although this discussion and analysis is for the middle school alone, it should be noted that Alachua Learning Center, Inc. has elected to report all capital assets, and long-term debt, if any, in the financial statements of the middle school.

The following are various financial highlights for fiscal year 2024:

- The School's overall net position increased by \$86,969, which is a 6% increase.
- Total ending unrestricted net position was \$1,242,319.
- The School had total expenses for the year of \$726,482 compared to revenues of \$802,677 and a transfer in of \$10,774.
- The School serves grades 6-8, educating 64 students and 59 students, in the years ending June 30, 2024 and 2023, respectively.

### **OVERVIEW OF THE SPECIAL PURPOSE 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 two individual governmental funds, the General Fund and Capital Projects Fund. Both are considered to be major funds and, accordingly, they are separately displayed.

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.

# Management's Discussion and Analysis

June 30, 2024

## Alachua Learning Academy Middle School

*A Component Unit of the Alachua County District School Board*

### CONDENSED FINANCIAL INFORMATION

The following table presents condensed, government-wide current year and prior year data about net position and changes in net position.

|  | 2024<br>Governmental<br>Activities | 2023<br>Governmental<br>Activities |
|--|------------------------------------|------------------------------------|
| <b>Net Position</b>                    |                                    |                                    |
| Assets:                                |                                    |                                    |
| Non-capital Assets                     | \$ 2,246,723                       | \$ 1,267,810                       |
| Capital Assets, Net                    | 480,504                            | 511,742                            |
| Total Assets                           | 2,727,227                          | 1,779,552                          |
| Liabilities:                           |                                    |                                    |
| Current Liabilities                    | 945,643                            | 80,022                             |
| Lease Liability                        | 255,103                            | 260,018                            |
| Total Liabilities                      | 1,200,746                          | 340,040                            |
| Net position:                          |                                    |                                    |
| Net investment in Capital Assets       | 225,401                            | 251,724                            |
| Restricted for Capital Outlay          | 58,761                             | 65,299                             |
| Unrestricted                           | 1,242,319                          | 1,122,489                          |
| Total Net Position                     | \$ 1,526,481                       | \$ 1,439,512                       |
| <b>Change in Net Position</b>          |                                    |                                    |
| Program Revenues:                      |                                    |                                    |
| Charges for Services                   | \$ 99,605                          | \$ 111,377                         |
| Operating Grants & Contributions       | 83,384                             | 92,995                             |
| Capital Grants & Contributions         | 37,760                             | 31,896                             |
| General Revenues:                      |                                    |                                    |
| Federal through State                  | --                                 | 330                                |
| State                                  | 469,944                            | 419,964                            |
| Local Revenue                          | 111,984                            | 50,068                             |
| Total Revenues                         | 802,677                            | 706,630                            |
| Program Expenses:                      |                                    |                                    |
| Instruction                            | 229,733                            | 226,033                            |
| Instructional Support Services         | 15,930                             | 12,610                             |
| General Support                        | 375,989                            | 316,211                            |
| Community Services                     | 92,585                             | 84,726                             |
| Interest                               | 12,245                             | 12,472                             |
| Total Expenses                         | 726,482                            | 652,052                            |
| Change in Net Position Before Transfer | 76,195                             | 54,578                             |
| Transfer from Elementary School        | 10,774                             | 11,234                             |
| Change in Net Position                 | 86,969                             | 65,812                             |
| Beginning Net Position                 | 1,439,512                          | 1,373,700                          |
| Ending Net Position                    | \$ 1,526,481                       | \$ 1,439,512                       |

# Management's Discussion and Analysis

June 30, 2024

## Alachua Learning Academy Middle School

*A Component Unit of the Alachua County District School Board*

### OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

**Governmental Activities.** The governmental activities generated \$220,749 in program revenues and \$581,928 of general revenues, and incurred \$726,482 of program expenses. There was also a transfer in of \$10,774 from the Elementary School for its share of the costs of the land lease. This resulted in an increase in net position of \$86,969.

### THE SCHOOL'S INDIVIDUAL FUNDS

**General Fund.** The fund balance of the General Fund increased by \$119,830 from \$1,122,489 to \$1,242,319.

**Capital Projects Fund.** The fund balance of the Capital Projects Fund decreased by \$6,538 from 65,299 to \$58,761. The School used capital outlay funding to pay its lease and to make repairs.

### BUDGETARY HIGHLIGHTS

**General Fund.** The School amended its original conservative budget to reflect actual revenues and expenditures. There were no differences between the final budget and actual amounts.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** The School had no significant capital asset activity. 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.** The School issued no new debt during the year and made scheduled payments on its lease liability. Please refer to the paragraph entitled *Long-Term Liabilities* in the notes to the accompanying financial statements for more detailed information about the School's long-term debt policy.

### ECONOMIC FACTORS

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

### CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Krishna Rivera, Director; PO Box 1389, Alachua, Florida 32616.

**Statement of Net Position**  
**June 30, 2024**  
**Alachua Learning Academy Middle School**  
*A Component Unit of the Alachua County District School Board*

|                                  | Governmental<br>Activities |
|----------------------------------|----------------------------|
| <b>Assets</b>                    |                            |
| Cash                             | \$ 502,644                 |
| Investments                      | 1,735,657                  |
| Receivables                      | 3,090                      |
| Prepays                          | 5,332                      |
| Capital Assets:                  |                            |
| Land Improvements                | 103,703                    |
| Depreciable Capital Assets, Net  | 376,801                    |
| <b>Total Assets</b>              | <b>2,727,227</b>           |
| <b>Liabilities</b>               |                            |
| Accounts Payable                 | 19,497                     |
| Salaries Payable                 | 77,942                     |
| Due to Elementary School         | 848,204                    |
| Lease Liability                  | 255,103                    |
| <b>Total Liabilities</b>         | <b>1,200,746</b>           |
| <b>Net Position</b>              |                            |
| Net Investment in Capital Assets | 225,401                    |
| Restricted for Capital Outlay    | 58,761                     |
| Unrestricted                     | 1,242,319                  |
| <b>Total Net Position</b>        | <b>\$ 1,526,481</b>        |

See accompanying notes.

**Statement of Activities**  
**For the Year Ended June 30, 2024**  
**Alachua Learning Academy Middle School**  
*A Component Unit of the Alachua County District School Board*

| Functions/Programs:            | Program Revenues    |                         |  | Net (Expense)<br>Revenue and<br>Change in Net<br>Position |
|--------------------------------|---------------------|-------------------------|--|---|
|                                | Expenses            | Charges for<br>Services | Operating<br>Grants and<br>Contributions |   |
| Governmental Activities:       |                     |                         |  |   |
| Instruction                    | \$ (229,733)        | \$ --                   | \$ --                                    | \$ (229,733)  |
| Instructional Support Services | (15,930)            | --                      | --                                       | (15,930)  |
| General Support                | (375,989)           | 25,558                  | 83,384                                   | (229,287)   |
| Community Services             | (92,585)            | 74,047                  | --                                       | (18,538)  |
| Interest on Long-Term Debt     | (12,245)            | --                      | --                                       | (12,245)  |
| <b>Total</b>                   | <u>\$ (726,482)</u> | <u>\$ 99,605</u>        | <u>\$ 83,384</u>                         | <u>\$ (505,733)</u>                                       |

**General Revenues:**

|   |                            |
|---|----------------------------|
| State Revenue:                                |                            |
| Florida Education Finance Program             | 459,623                    |
| Other State Revenues                          | 10,321                     |
| Local Revenue:                                |                            |
| Local Tax Revenue                             | 65,154                     |
| Investment Income                             | 19,657                     |
| Other Local Revenue                           | <u>27,173</u>              |
| <b>Total General Revenues</b>                 | <b><u>581,928</u></b>      |
| <b>Change in Net Position Before Transfer</b> | <b>76,195</b>              |
| <b>Transfer from Elementary School</b>        | <b><u>10,774</u></b>       |
| <b>Change in Net Position After Transfer</b>  | <b>86,969</b>              |
| <b>Net Position – Beginning of Year</b>       | <b><u>1,439,512</u></b>    |
| <b>Net Position – End of Year</b>             | <b><u>\$ 1,526,481</u></b> |

See accompanying notes.

**Balance Sheet – Governmental Funds**  
**June 30, 2024**  
**Alachua Learning Academy Middle School**  
*A Component Unit of the Alachua County District School Board*

|  | General<br>Fund     | Capital<br>Projects Fund | Total<br>Governmental<br>Funds |
|--|---------------------|--------------------------|--------------------------------|
| <b>Assets</b>                              |                     |                          |                                |
| Cash                                       | \$ 443,883          | \$ 58,761                | \$ 502,644                     |
| Investments                                | 1,735,657           | --                       | 1,735,657                      |
| Receivables                                | 3,090               | --                       | 3,090                          |
| Prepays                                    | 5,332               | --                       | 5,332                          |
| <b>Total Assets</b>                        | <b>\$ 2,187,962</b> | <b>\$ 58,761</b>         | <b>\$ 2,246,723</b>            |
| <b>Liabilities and Fund Balances</b>       |                     |                          |                                |
| <b>Liabilities:</b>                        |                     |                          |                                |
| Accounts Payable                           | \$ 19,497           | \$ --                    | \$ 19,497                      |
| Salaries Payable                           | 77,942              | --                       | 77,942                         |
| Due to Elementary School                   | 848,204             | --                       | 848,204                        |
| <b>Total Liabilities</b>                   | 945,643             | --                       | 945,643                        |
| <b>Fund Balances:</b>                      |                     |                          |                                |
| Non-spendable - Prepays                    | 5,332               | --                       | 5,332                          |
| Restricted                                 | --                  | 58,761                   | 58,761                         |
| Unassigned                                 | 1,236,987           | --                       | 1,236,987                      |
| <b>Total Fund Balances</b>                 | 1,242,319           | 58,761                   | 1,301,080                      |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 2,187,962</b> | <b>\$ 58,761</b>         | <b>\$ 2,246,723</b>            |

See accompanying notes.

**Reconciliation of the Balance Sheet to the Statement of Net Position –  
Governmental Funds**

**June 30, 2024**

**Alachua Learning Academy Middle School**  
*A Component Unit of the Alachua County District School Board*

|   |              |
|---|--------------|
| <b>Fund Balances – Total Governmental Funds</b> | \$ 1,301,080 |
|---|--------------|

Amounts reported for Governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not reported in the governmental funds:

|   |         |
|---|---------|
| Capital Assets – Net of Accumulated Depreciation/Amortization | 480,504 |
|---|---------|

Long-term liabilities are not reported in the governmental funds:

|  |                  |
|--|------------------|
| Principal portion of payments on lease liability | <u>(255,103)</u> |
|--|------------------|

|  |                            |
|--|----------------------------|
| <b>Net Position of Governmental Activities</b> | <u><u>\$ 1,526,481</u></u> |
|--|----------------------------|

See accompanying notes.

**Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2024  
Alachua Learning Academy Middle School  
A Component Unit of the Alachua County District School Board**

|  | General<br>Fund     | Capital<br>Projects Fund | Total<br>Governmental<br>Funds |
|--|---------------------|--------------------------|--------------------------------|
| <b>Revenues</b>                                  |                     |                          |                                |
| Federal:   |                     |                          |                                |
| USAC E-Rate Grant                                | \$ 2,759            | \$ --                    | \$ 2,759                       |
| Federal through State:                           |                     |                          |                                |
| National School Lunch Program                    | 80,625              | --                       | 80,625                         |
| ESSER Grant                                      | --                  | --                       | --                             |
| State Revenue:                                   |                     |                          |                                |
| Florida Education Finance Program                | 459,623             | --                       | 459,623                        |
| Public Education Capital Outlay                  | --                  | 37,760                   | 37,760                         |
| Other State Revenue                              | 10,321              | --                       | 10,321                         |
| Local Revenue:                                   |                     |                          |                                |
| Local Tax Revenue                                | 65,154              | --                       | 65,154                         |
| Investment Income                                | 19,657              | --                       | 19,657                         |
| Meal Service Revenue                             | 25,558              | --                       | 25,558                         |
| After School Program                             | 74,047              | --                       | 74,047                         |
| Other Local Revenues                             | 27,173              | --                       | 27,173                         |
| <b>Total Revenues</b>                            | <b>764,917</b>      | <b>37,760</b>            | <b>802,677</b>                 |
| <b>Expenditures and Changes in Fund Balances</b> |                     |                          |                                |
| <b>Expenditures:</b>                             |                     |                          |                                |
| Current:   |                     |                          |                                |
| Instruction                                      | 229,437             | --                       | 229,437                        |
| Instructional Support Services                   | 15,930              | --                       | 15,930                         |
| General Support                                  | 307,135             | --                       | 307,135                        |
| Community Services                               | 92,585              | --                       | 92,585                         |
| Capital Outlay                                   | --                  | 37,912                   | 37,912                         |
| Debt Service:                                    |                     |                          |                                |
| Principal  | --                  | 4,915                    | 4,915                          |
| Interest   | --                  | 12,245                   | 12,245                         |
| <b>Total Expenditures</b>                        | <b>645,087</b>      | <b>55,072</b>            | <b>700,159</b>                 |
| <b>Excess of Revenues over Expenditures</b>      | <b>119,830</b>      | <b>(17,312)</b>          | <b>102,518</b>                 |
| <b>Other Financing Sources:</b>                  |                     |                          |                                |
| Transfer from Elementary School                  | --                  | 10,774                   | 10,774                         |
| <b>Change in Fund Balances</b>                   | <b>119,830</b>      | <b>(6,538)</b>           | <b>113,292</b>                 |
| <b>Fund Balances, July 1, 2023</b>               | <b>1,122,489</b>    | <b>65,299</b>            | <b>1,187,788</b>               |
| <b>Fund Balances, June 30, 2024</b>              | <b>\$ 1,242,319</b> | <b>\$ 58,761</b>         | <b>\$ 1,301,080</b>            |

See accompanying notes.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances to the Statement of Activities - Governmental Funds**  
**For the Year Ended June 30, 2024**  
**Alachua Learning Academy Middle School**  
*A Component Unit of the Alachua County District School Board*

**Excess of Revenues over Expenditures – Total Governmental Funds** \$ 113,292

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

|   |          |
|---|----------|
| Current year expenditures for capital assets:   | --       |
| Current year depreciation/amortization expense: | (31,238) |

Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. Repayment of principal is an expenditure in governmental funds, but reduces long-term liabilities in the Statement of Net Position.

|                                      |       |
|--------------------------------------|-------|
| Principal portion of lease payments: | 4,915 |
|--------------------------------------|-------|

|  |                  |
|--|------------------|
| <b>Change in Net Position of Governmental Activities</b> | <b>\$ 86,969</b> |
|--|------------------|

See accompanying notes.

# Notes to the Financial Statements

June 30, 2024

## Alachua Learning Academy Middle School

*A Component Unit of the Alachua County District School Board*

### **NOTE 1 – REPORTING ENTITY**

Alachua Learning Center, Inc. (the Corporation) 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 Corporation operates an elementary school under the name “Alachua Learning Academy Elementary School” (Elementary School) and a middle school under the name “Alachua Learning Academy Middle School”. These special purpose financial statements are those of the Alachua Learning Academy Middle School (the School) only. The governing body of the School is the Corporation’s Board of Directors. The School is a program of the Corporation; the Corporation is considered a component unit of the Alachua County District School Board (the District).

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 current charter is effective until June 30, 2031, 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.

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 provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the School conform to generally accepted accounting principles as applicable to governments. The more significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

#### Government-wide Financial Statements

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

# Notes to the Financial Statements

June 30, 2024

## Alachua Learning Academy Middle School

*A Component Unit of the Alachua County District School Board*

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Government-wide Financial Statements (concluded)

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

#### 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.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources associated with grants that are restricted to capital uses.

In the accompanying fund financial statements, the General Fund and Capital Projects Fund are both considered to be major funds and, therefore, are separately displayed. The School has no non-major funds.

#### Measurement Focus and Basis of Accounting

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

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

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.

# Notes to the Financial Statements

June 30, 2024

## Alachua Learning Academy Middle School

*A Component Unit of the Alachua County District School Board*

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Use of Estimates

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

#### Cash

Cash consists of deposits in financial institutions. Such deposits qualify as public deposits and are insured by Florida’s Public Deposits Program as defined in Section 280.02, Florida Statutes. The School has no policy regarding deposit custodial credit risk.

#### Investments

Investments are reported at fair value.

#### Prepays

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 prepaids do not represent available expendable resources.

#### Capital Assets and Depreciation/Amortization

Capital assets are defined by the School as assets with an initial, individual cost of \$3,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost if purchased, at the net present value of future cash flows for leased assets, and at estimated fair value if acquired through a donation. All assets are depreciated or amortized using a straight-line basis. Land improvements are not depreciated. Leased assets are amortized over the shorter of the expected useful life of the leased asset or the lease term. Depreciable capital assets are depreciated using over their estimated useful lives.

| <u>Assets</u>                     | <u>Years</u> |
|-----------------------------------|--------------|
| Lease Asset – Land                | 30           |
| Buildings                         | 25-30        |
| Improvements                      | 15           |
| Furniture, Fixtures and Equipment | 5-15         |
| Computers and Software            | 3-4          |

#### Revenue Sources

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the charter and Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Educational Finance Program and the actual weighted FTE students reported by the School during the designated FTE student survey periods. The School also receives other financial assistance. This assistance is generally based on applications submitted to and approved by the granting agency.

#### Compensated Absences

The School’s employees had no unused sick and vacation time at the end of the school year. Therefore, no liability for compensated absences is recorded.

# Notes to the Financial Statements

June 30, 2024

## Achua Learning Academy Middle School

A Component Unit of the Achua County District School Board

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

#### Long-term Liabilities

Long-term debt, lease liabilities 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.

#### Net Position

Net position represents the difference between assets and liabilities and, if applicable, 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 their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. The balance of the net position is reported as *unrestricted*.

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

#### Fund Balance Classifications

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 Director. Assigned fund balance includes spendable fund balance amounts established by the Director 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 Director. 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 that they will 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.

## Notes to the Financial Statements

June 30, 2024

### Alachua Learning Academy Middle School

*A Component Unit of the Alachua County District School Board*

#### NOTE 3 – INVESTMENTS

The School's investments consist of the following:

|                         | <u>FDIC Insured</u> | <u>Uninsured</u>  | <u>Total</u>        |
|-------------------------|---------------------|-------------------|---------------------|
| Cash                    | \$ 46,835           | \$ --             | \$ 46,835           |
| Certificates of Deposit | 704,654             | 750,888           | 1,455,542           |
| Annuity Contract        | --                  | 233,280           | 233,280             |
| Total                   | <b>\$ 751,489</b>   | <b>\$ 984,168</b> | <b>\$ 1,735,657</b> |

Certificates of Deposit. The certificates of deposit (CDs) are held in four banks. Ratings agencies indicate that the banks with uninsured CDs hold stable outlooks with A or better ratings. The value of the CDs is affected by changes in prevailing interest rates. Fair market value is measured using Level 2 inputs.

Annuity Contract. In July 2022, the School invested \$200,000 in a five-year, fixed index annuity agreement with Global Atlantic Financial Group, which has earned an A Rating from A.M. Best. The annuity includes a guaranteed principal provision and a guaranteed annual interest rate which was surpassed in its first two years. Up to 10% can be withdrawn each year without a penalty. The School's share of surrender value at June 30, 2024 is \$216,678. Annuities are valued at contract value which approximates fair value. Fair value is measured using Level 3 inputs.

#### NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2024, was as follows:

|   | Balance<br>June 30,<br>2023 | Additions          | Deletions    | Balance<br>June 30,<br>2024 |
|---|-----------------------------|--------------------|--------------|-----------------------------|
| Capital Assets not Being Depreciated/Amortized: |                             |                    |              |                             |
| Land Improvements                               | \$ 103,703                  | \$ --              | \$ --        | \$ 103,703                  |
| Construction in Progress                        | 9,000                       | --                 | --           | 9,000                       |
| Capital Assets Being Depreciated/Amortized:     |                             |                    |              |                             |
| Land Lease                                      | 275,217                     | --                 | --           | 275,217                     |
| Buildings                                       | 447,836                     | --                 | --           | 447,836                     |
| Improvements other than Buildings               | 234,652                     | --                 | --           | 234,652                     |
| Furniture, Fixtures & Equipment                 | 346,809                     | --                 | 33,857       | 312,952                     |
| Total Capital Assets                            | 1,417,217                   | --                 | 33,857       | 1,383,360                   |
| Accumulated Depreciation/Amortization:          |                             |                    |              |                             |
| Land Lease                                      | 29,051                      | 9,174              | --           | 38,225                      |
| Buildings                                       | 303,005                     | 17,819             | --           | 320,824                     |
| Improvements other than Buildings               | 233,898                     | 279                | --           | 234,177                     |
| Furniture, Fixtures & Equipment                 | 339,521                     | 3,966              | 33,857       | 309,630                     |
| Total Accumulated Depreciation                  | 905,475                     | 31,238             | 33,857       | 902,856                     |
| Net Capital Assets                              | <b>\$ 511,742</b>           | <b>\$ (31,238)</b> | <b>\$ --</b> | <b>\$ 480,504</b>           |

Depreciation and amortization were charged to functions/programs as follows:

|                            |                  |
|----------------------------|------------------|
| Instruction                | \$ 296           |
| General Support            | <u>30,942</u>    |
| Total Depreciation Expense | <u>\$ 31,238</u> |

## Notes to the Financial Statements

June 30, 2024

### Alachua Learning Academy Middle School

*A Component Unit of the Alachua County District School Board*

#### **NOTE 5 – LAND LEASE**

The Corporation entered into a lease for the land used by the School and the Elementary School. The lease began May 1, 2020, specifies an end date of April 30, 2045, and includes an option for renew for an additional five years that the Corporation is reasonably certain to exercise. The School calculated a lease asset and lease liability of \$275,217 for the present value of lease payments for the lease term. The School used an estimated incremental borrowing rate of 4.75% to compute the lease liability. The lease asset will be amortized on a straight-line basis for the lease term of 30 years. Changes in the lease liability follow:

|                 | Balance<br>June 30,<br>2023 | Additions | Deductions | Balance<br>June 30,<br>2024 | Amount<br>Due<br>In 1 Year |
|-----------------|-----------------------------|-----------|------------|-----------------------------|----------------------------|
| Lease Liability | \$ 260,018                  | \$ --     | \$ 4,915   | \$ 255,103                  | \$ 5,154                   |

Principal and interest requirements on the lease liability are as follows:

| Fiscal Years Ending June 30, | Principal  | Interest   | Total      |
|------------------------------|------------|------------|------------|
| 2025                         | 5,154      | 12,006     | 17,160     |
| 2026                         | 5,404      | 11,756     | 17,160     |
| 2027                         | 5,666      | 11,494     | 17,160     |
| 2028                         | 5,941      | 11,219     | 17,160     |
| 2029                         | 6,230      | 10,930     | 17,160     |
| 2030                         | 6,532      | 10,628     | 17,160     |
| 2031                         | 6,850      | 10,310     | 17,160     |
| 2032                         | 7,182      | 9,978      | 17,160     |
| 2033                         | 7,531      | 9,629      | 17,160     |
| 2034-2038                    | 43,509     | 42,291     | 85,800     |
| 2039-2043                    | 55,142     | 30,658     | 85,800     |
| 2044-2048                    | 69,891     | 15,909     | 85,800     |
| 2049-2050                    | 30,071     | 1,387      | 31,458     |
| Total                        | \$ 255,103 | \$ 188,195 | \$ 443,298 |

The Elementary School will make annual transfers to the School for its proportionate share of the lease payments as determined by student attendance. The Elementary School transferred \$10,774 for the year ended June 30, 2024, which amounted to 63% of the lease payments.

#### **NOTE 6 – RISK MANAGEMENT**

The School is exposed to various risks of loss, including general liability, personal injury, workers compensation, and errors and omissions. To manage its risks, the School has purchased commercial insurance. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years.

#### **NOTE 7 – RETIREMENT BENEFIT**

The School made payments on behalf of its employees to a 457(b) Deferred Compensation Plan. The School matches employee contributions up to five percent of each eligible employee's salary. The Board of Directors has the authority to amend or terminate this benefit. The Corporation paid \$19,768, \$19,053 and \$17,273 in retirement benefits for the years ended June 30, 2024, 2023 and 2022, respectively.

# Notes to the Financial Statements

June 30, 2024

## Achua Learning Academy Middle School

*A Component Unit of the Achua County District School Board*

### **NOTE 8 – CONTINGENCIES**

The School is subject to occasional lawsuits and claims arising in the normal conduct of business. In the opinion of management, the ultimate disposition of these matters, if any, will not have a significant impact on the financial position of the School.

### **NOTE 9 – INTER-COMPANY TRANSACTIONS**

The School pays all of the expenses for the Elementary School, which in turn reimburses the School. The amounts received offset the corresponding expenses of the School. Below is a breakdown of the associated costs:

|  |                   |
|--|-------------------|
| Salaries and Payroll Taxes - Teachers and Administration | \$ 729,789        |
| Supplies and Curriculum                                  | 28,606            |
| Accounting Services                                      | 20,087            |
| Professional Fees  | 20,553            |
| Operation of Plant                                       | 46,622            |
| Maintenance of Plant                                     | 63,659            |
| Other  | 30,661            |
| <b>Total</b>   | <u>\$ 939,977</u> |

**Budgetary Comparison Schedule – General Fund**  
**For the Year Ended June 30, 2024**  
**Alachua Learning Academy Middle School**  
*A Component Unit of the Alachua County District School Board*

|   | BUDGETED AMOUNTS |                     | Actual<br>Amounts   |
|---|------------------|---------------------|---------------------|
|   | Original         | Final               |                     |
| <b>Revenues</b>                                 |                  |                     |                     |
| Federal:  |                  |                     |                     |
| USAC E-Rate Grant                               | \$ 4,000         | \$ 2,759            | \$ 2,759            |
| Federal through State:                          |                  |                     |                     |
| National School Lunch Program                   | 30,000           | 80,625              | 80,625              |
| State Revenue:                                  |                  |                     |                     |
| Florida Education Finance Program               | 406,034          | 459,623             | 459,623             |
| Other State Revenue                             | 6,220            | 10,321              | 10,321              |
| Local Revenue:                                  |                  |                     |                     |
| Local Tax Revenue                               | 28,900           | 65,154              | 65,154              |
| Investment Income                               | --               | 19,657              | 19,657              |
| Meal Service Revenue                            | 500              | 25,558              | 25,558              |
| After School Program                            | 70,000           | 74,047              | 74,047              |
| Other Local Revenue                             | 14,500           | 27,173              | 27,173              |
| <b>Total Revenues</b>                           | <b>560,154</b>   | <b>764,917</b>      | <b>764,917</b>      |
| <b>Expenditures and Changes in Fund Balance</b> |                  |                     |                     |
| <b>Expenditures:</b>                            |                  |                     |                     |
| Current:  |                  |                     |                     |
| Instruction                                     | 193,145          | 229,437             | 229,437             |
| Instructional Support Services                  | 10,915           | 15,930              | 15,930              |
| General Support                                 | 302,012          | 307,135             | 307,135             |
| Community Service                               | 46,320           | 92,585              | 92,585              |
| <b>Total Expenditures</b>                       | <b>552,392</b>   | <b>645,087</b>      | <b>645,087</b>      |
| <b>Change in Fund Balance</b>                   | <b>7,762</b>     | <b>119,830</b>      | <b>119,830</b>      |
| <b>Fund Balances, July 1, 2023</b>              | <b>--</b>        | <b>1,112,489</b>    | <b>1,112,489</b>    |
| <b>Fund Balances, June 30, 2024</b>             | <b>\$ 7,762</b>  | <b>\$ 1,242,319</b> | <b>\$ 1,242,319</b> |

Note to Schedule:

An annual Budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. A final budget amendment is made so that final budgeted amounts agree to actual amounts. The fund is the legal level of control.

# Kattell and Company, P.L.

*Certified Public Accountants Serving the Nonprofit Community*

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## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

October 14, 2024

To the Board of Directors  
Alachua Learning Center, Inc.

We have audited the special purpose financial statements of Alachua Learning Academy Middle School (the School), a program of Alachua Learning Center, Inc., for the year ended June 30, 2024, and have issued our report thereon dated October 14, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 19, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### Qualitative Aspects of Accounting Practices

*Accounting Policies.* Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the School during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

*Accounting Estimates.* Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

*Disclosures.* There are no disclosures that are particularly sensitive.

*Corrected and Uncorrected Misstatements.* Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have communicated all known and likely adjustments to management. There are no uncorrected misstatements.

### Our Working Relationship with Management

*Difficulties Encountered in Performing the Audit.* We encountered no difficulties in dealing with management in performing and completing our audit.

*Disagreements with Management.* For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations.* We have requested certain representations from management that are included in the management representation letter.

*Management Consultations with Other Independent Accountants.* In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Consultations Prior to Engagement.* We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

\* \* \* \* \*

This letter is intended solely for the information and use of management and the Board of Directors of the School and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Kattell and Company, P.L.*

# Kattell and Company, P.L.

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## MANAGEMENT LETTER

To the Board of Directors,  
Alachua Learning Center, Inc.

October 14, 2024

**Report on the Financial Statements.** We have audited the financial statements of Alachua Learning Academy Middle School (the School), as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated October 14, 2024.

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

**Other Reports and Schedules.** We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards* and Schedule of Findings. Disclosures in that report and schedule, which are dated October 14, 2024, 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 that regard, Finding 2024-001 is a repeat of Finding 2023-001.

**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 Alachua Learning Academy Middle School, and the school code assigned by the Florida Department of Education is 01-1011.

**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.

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 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 maintained on its website all of the information specified in Section 1002.33(9)(p), Florida Statutes on September 6, 2024, the date of our procedures.

**Additional Matters.** 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 note any such findings.

**Purpose of this Letter.** Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the local district school board, and the Board of Directors and management of the School and is not intended to be and should not be used by anyone other than these specified parties.

\* \* \* \* \*

Thank you for the cooperation and courtesies extended to us during the course of the audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or any other matters.

*Kattell and Company, P.L.*

# Kattell and Company, P.L.

Certified Public Accountants Serving the Nonprofit Community

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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Directors of  
Alachua Learning Center, Inc.

October 14, 2024

We have audited, 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, the financial statements of the governmental activities and each major fund of Alachua Learning Academy Middle School (the School), as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 14, 2024.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified deficiencies in internal control, described in the attached schedule of findings as items 2024-001 and 2024-002, that we consider to be significant deficiencies.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

### School's Response to Findings

The School's response to the findings identified in the Schedule of Findings is described in the accompanying letter from the School. The School's response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

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

\* \* \* \* \*

As required by the Rules of the Auditor General of the State of Florida, we noted certain matters that we reported to management of the School in the management letter dated October 14, 2024.

Kattell and Company, P.L.

**Schedule of Findings**  
**June 30, 2024**  
**Alachua Learning Academy Middle School**  
*A Component Unit of the Alachua County District School Board*

**2024-001**

**Significant Deficiency**

*Criteria:* The School should institute internal controls to provide reasonable assurance that all revenues are collected and deposited.

*Background:* The School utilizes web-based software to track paying participants in its lunch program. Participants access their account in the software using an application.

*Condition:* One individual collects payments, enters those payments into the program, writes a receipt, and prepares the deposit. Another individual verifies the amounts deposited by adding up the related receipts. It was reasonable to assume a written receipt provided evidence of all collection of funds; however, with the implementation of the program, participants are less likely to request a receipt.

*Effect:* Any skimming by the individual collecting payments is less likely to be identified now that participants are less likely to request a written receipt.

*Recommendation:* The School should consider a procedure where someone, other than the person who collects lunch money, obtains monthly reports from the lunch software program and reconciles to amounts deposited.

**2024-002**

**Significant Deficiency**

*Criteria:* Invoices submitted to the District for 1 Mil funding should be based on allowable costs.

*Condition:* Invoices submitted to the District are based on the number of hours worked by the related employees. However, the rate per hour is not based on the actual rate of pay of the employees.

*Effect:* It does not appear that the School was paid more than they would have been paid had they used an allowable cost methodology.

*Recommendation:* The School should bill the District for 1 Mil funding using allowable costs incurred.



# ALACHUA LEARNING ACADEMY

Elementary & Middle School

Established 1999

## Alachua Learning Academy Middle School Audit 6/2024

10/14/2024

Kattel and Company, P.L.  
808-B NW 16th Ave  
Gainesville, FL 32601

We have received the results of the June 30, 2024 audit report of our school conducted by your firm.

We will make the following adjustments:

- 2024-001 - The School will implement a procedure where someone, other than the person who collects lunch money, obtains monthly reports from the lunch software program and reconciles to amounts deposited.
- 2024-002 - The School should bill the District for 1 Mil funding using allowable costs incurred.

We appreciate your professionalism and look forward to working with you again.

Sincerely,

**KP Rivera**  
Administrative Director

**2023 National Blue Ribbon School**  
**Exemplary High Performing**  
Educating students to become exemplary  
citizens of the world with H.E.A.R.T.



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