

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**BROWARD COUNTY**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

## TABLE OF CONTENTS

GENERAL INFORMATION	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5 - 11
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET ASSETS	12
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	13
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET	14
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET ASSETS	15
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	16
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	17
NOTES TO THE BASIC FINANCIAL STATEMENTS	18 - 25
REQUIRED SUPPLEMENTARY INFORMATION:	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET TO ACTUAL	26 - 27
NOTES TO THE SUPPLEMENTARY INFORMATION	28
SUPPLEMENTARY INFORMATION:	
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE BASED ON AN AUDIT OF SPECIAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	29 - 30
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT	31 - 33
MANAGEMENT LETTER	34 - 35

**ALPHA INTERNATIONAL ACADEMY, INC.  
A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF  
BROWARD COUNTY  
FOR THE YEAR ENDED JUNE 30, 2017**

**GENERAL INFORMATION**

**BOARD OF DIRECTORS  
2016 – 2017**

Ms. Carol Gardner, Chair  
Dr. Shirley Johnson  
Ms. Monefe Young  
Mr. Christopher Repcik

**SCHOOL ADMINISTRATION**

Mr. Wayne Neunie, Principal

**NAME AND ADDRESS OF SCHOOL LOCATION**

Alpha International Academy, Inc., 121 South 24<sup>th</sup> Avenue, Hollywood, Fl. 33020

**GENERAL INFORMATION**

**TOTAL SCHOOL ENROLLMENT AND GRADE CONFIGURATION**

Alpha International Academy, Inc.

GRADE	TOTAL	%
K	10	14%
1	12	17%
2	18	25%
3	18	25%
4	09	13%
5	<u>05</u>	<u>06%</u>
TOTAL	<u>72</u>	<u>100%</u>

**ALPHA INTERNATIONAL ACADEMY, INC.  
A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF  
BROWARD COUNTY  
FOR THE YEAR ENDED JUNE 30, 2017**

**GENERAL INFORMATION**

**BOARD OF DIRECTORS  
2015 – 2016**

Ms. Carol Gardner, Chair  
Dr. Shirley Johnson  
Ms. Monefe Young  
Mr. Christopher Repcik

**SCHOOL ADMINISTRATION**

Mr. Wayne Neunie, Principal

**NAME AND ADDRESS OF SCHOOL LOCATION**

Alpha International Academy, Inc., 121 South 24<sup>th</sup> Avenue, Hollywood, Fl. 33020

**GENERAL INFORMATION**

**TOTAL SCHOOL ENROLLMENT AND GRADE CONFIGURATION**

Alpha International Academy, Inc.

GRADE	TOTAL	%
K	11	12%
1	18	20%
2	20	23%
3	18	20%
4	08	09%
5	<u>14</u>	<u>16%</u>
TOTAL	<u>89</u>	<u>100%</u>

**L. BROWN AND COMPANY, P.A.**  
Certified Public Accountants and Consultants

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4281 W. McNab Road, Suite #18      ♦♦♦      Pompano Beach, Florida 33069  
Telephone (803) 747-2960      Member American and Florida Institutes of Certified Public Accountants      lbrown49@gmail.com

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Alpha International Academy, Inc.  
Broward County, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of Alpha International Academy, Inc. (the "School"), a non-major component unit of the District School Board of Broward County, which comprise the statement of financial position as of June 30, 2017 and 2016, the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

***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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 the provisions of Chapter 10.850, Charter Schools Audits, issued by the Auditor General of the State of Florida. 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

Board of Directors  
October 15, 2017

***Auditor's Responsibility (Continued)***

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 opinion.

***Opinion***

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, 2017 and 2016, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America

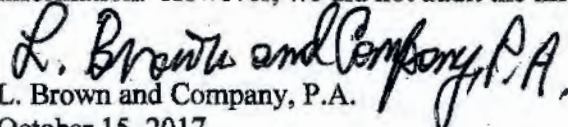
***Other Matters***

The basic financial statements, referred to in the first paragraph, were prepared for the purpose of complying with Part IV of the Charter School contract between the District School Board of Broward County and Alpha International Academy, Inc. These financial statements were prepared to present the financial position and changes in net position of Alpha International Academy, Inc. and is not intended to be a complete presentation of the financial position and changes in net position of the District School Board of Broward County.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 15, 2017, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis (MD&A) on pages five through ten and the schedules of revenues, expenditures and changes in fund balance – budget to actual are not a required part of the basic financial statements but are supplementary information required by *Government Auditing Standards*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

  
L. Brown and Company, P.A.  
October 15, 2017

**ALPHA INTERNATIONAL ACADEMY, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017  
(With Comparative Totals for 2016)**

The corporate officers of Alpha International Academy, Inc. (the School) have prepared this narrative overview and analysis of the financial activities for the years ended June 30, 2017 and 2016.

**FINANCIAL HIGHLIGHTS**

Some highlights for the years ended June 30, 2017 and 2016 were as follows:

**2017 –**

- \* The School received \$566,478 in FTE funds from the District School Board of Broward County in fiscal year ended June 30, 2017.
- \* Total assets of the School was \$94,729 in fiscal year 2017.
- \*At June 30, 2017, assets of the School exceeded it liabilities by \$46,962.

**2016 –**

- \* The School received \$654,408 in FTE funds from the District School Board of Broward County in fiscal year ended June 30, 2016.
- \* Total assets of the School was \$63,393 in fiscal year 2016.
- \*At June 30, 2016, assets of the School exceeded it liabilities by \$44,877.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the years ended June 30, 2017 and 2016 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to the private sector business.

The *Statement of Net Position* presents information on all of the School's assets and liabilities. The differences between the two is reported as the net position. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the School is improving or deteriorating.

**ALPHA INTERNATIONAL ACADEMY, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017  
(With Comparative Totals for 2016)**

The *Statement of Activities* presents information on how the School's net position changed during the fiscal years. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 12-13 of this report.

***Fund Financial Statements***

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 14 – 17 of this report.

***Notes to Financial Statements***

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 18 – 25 of this report.



**ALPHA INTERNATIONAL ACADEMY, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017  
(With Comparative Totals for 2016)**

**FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, assets exceeded liabilities by approximately \$46,962 and \$44,877 at the close of fiscal years 2017 and 2016, respectively. A summary of the School's net assets for the fiscal years 2017 and 2016 follows:

	<u>2017</u>
Cash	\$ 26,578
Grants receivable	16,051
Inventory	1,467
Furniture, fixtures and equipment, net	44,415
Other assets	<u>6,218</u>
Total Assets	<u>\$ 94,729</u>
Accounts payable & accrued liabilities	\$ 47,246
Lease payable	<u>521</u>
Total Liabilities	<u>\$ 47,767</u>
Net investment in capital assets	\$ 44,415
Unrestricted net position	<u>2,547</u>
Total Net Position	<u>\$ 46,962</u>
	<u>2016</u>
Cash	\$ 10,453
Grants receivable	7,477
Furniture, fixtures and equipment, net	39,345
Other assets	<u>6,218</u>
Total Assets	<u>\$ 63,393</u>
Accounts payable & accrued liabilities	\$ 15,534
Lease payable	<u>2,982</u>
Total Liabilities	<u>\$ 18,516</u>
Invested in capital assets, net of related debt	\$ 31,218
Unrestricted net position	<u>13,659</u>
Total Net Position	<u>\$ 44,877</u>

**ALPHA INTERNATIONAL ACADEMY, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2016  
(With Comparative Totals for 2015)**

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2017 and 2016 follows:

	<u>2017</u>
<b>REVENUES:</b>	
County funding	\$ 566,478
Operating grant	86,018
Charges for services	7,584
Miscellaneous income	17,601
<b>TOTAL REVENUES</b>	<u>\$ 677,681</u>
<b>EXPENDITURES:</b>	
Instruction	\$ 278,834
Pupil Personnel Services	13,477
Board	6,023
General administration	25,455
School administration	111,011
Facilities acquisition & construction	90,000
Food services	47,266
Pupil transportation services	41,394
Operation of plant	18,839
Maintenance of Plant	4,370
Fiscal services	28,324
Information services	900
Unallocated Depreciation	9,703
<b>TOTAL EXPENDITURES</b>	<u>\$ 675,596</u>
<b>CHANGE IN NET POSITION</b>	2,085
<b>NET POSITION AT BEGINNING</b>	<u>44,877</u>
<b>NET POSITION AT END</b>	<u>\$ 46,962</u>

**ALPHA INTERNATIONAL ACADEMY, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017  
(With Comparative Totals for 2016)**

	<u>2016</u>
<b>REVENUES:</b>	
County funding	\$ 654,408
Operating grant	92,733
Charges for services	9,603
Capital outlay	13,295
Miscellaneous income	<u>7,454</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 777,493</u></b>
<b>EXPENDITURES:</b>	
Instruction	\$ 305,633
Pupil Personnel Services	24,620
Instructional and Curriculum Development	2,000
Instructional and Staff Training	25,000
Board	6,000
General administration	18,160
School administration	106,989
Facilities acquisition & construction	120,000
Food services	66,560
Central Services	32,717
Pupil transportation services	33,500
Operation of plant	20,488
Maintenance of Plant	7,098
Unallocated Depreciation	<u>7,591</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 776,356</u></b>
<b>CHANGE IN NET POSITION</b>	<u>1,137</u>
<b>NET POSITION AT BEGINNING</b>	46,739
<b>ADJUSTMENT TO BEGINNING NET POSITION</b>	<u>(2,999)</u>
<b>ADJUSTED BEGINNING NET POSITION</b>	<u>43,740</u>
<b>NET POSITION AT END</b>	<b><u>\$ 44,877</u></b>

**Lease of Facility**

The School leased facilities, during fiscal year 2016, in Broward County, Florida. The facilities consist of 6,000 square feet. The buildings have capacity for up to 6 classrooms to house the School's students. The facilities are fully accessible to individuals with disabilities in compliance with the Americans with Disabilities Act, Section 504 of the Rehabilitative Act of 1973, and other applicable state/federal laws.

**School Locations**

Alpha International Academy, Inc., 121 South 24<sup>th</sup> Avenue, Hollywood, Fl. 33020.

**ALPHA INTERNATIONAL ACADEMY, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017  
(With Comparative Totals for 2016)**

**Capital Improvement Requirements**

The activities undertaken by the School during 2017 and 2016 allow it to operate in the immediate future without the need for additional substantial capital improvements for it to service its existing client base.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unreserved fund balance* may serve as useful measure of a government's net resources available for spending at the end of the fiscal years

**Capital Assets**

The School's investments in capital assets as of June 30, 2017 and 2016 amounted to \$44,415 and \$31,218 (net of accumulated depreciation), respectively. This investment in capital assets includes furniture, fixtures and computer equipment.

**GENERAL FUND BUDGET ANALYSIS AND HIGHLIGHTS**

Prior to the start of the School's fiscal year, the Board of directors of the School adopted an annual budget. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the School's budget. Budget to actual comparisons for fiscal years 2017 and 2016 are presented on Page 26 – 27.

Variances reported in the budget to actual comparison for fiscal years 2017 and 2016 resulted primarily from the following:

**ALPHA INTERNATIONAL ACADEMY, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2017  
(With Comparative Totals for 2016)**

**2017 -**

1. Total revenue for the year decreased by \$7,706, because enrollment dropped for part of the school year.
2. The facilities acquisition and construction decreased by \$30,000 as rent decreased due to a decrease in enrollment for part of the school year.
3. Actual capital outlay exceeded budget by \$14,773 because capital outlay funds were not awarded in fiscal year 2017.

**2016 -**

1. Pupil personnel services actual expenses exceeded budget by \$13,620 due to an increased student population that needed special services.
2. Actual school administration expenses were lower than budget because of a change in the principal of the school and a lower salary for part of the year.
3. Food services expenses exceeded budget because more students requested food service.
4. Actual capital outlay exceeded budget by \$17,218 due to the need for additional teaching resources.

**REQUESTS FOR INFORMATION**

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Ms. Carol Gardner at (305) 775-2181.

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY**  
**STATEMENT OF NET POSITION**  
**June 30, 2017**  
**(With Comparative Totals for 2016)**

	<b>2017</b>	<b>2016</b>
	<b>Total</b>	<b>Total</b>
<b>ASSETS</b>		
Cash at bank	\$ 26,578	\$ 10,353
Grant receivable	16,051	7,477
Inventory	1,467	-
Furniture and equipment, net	44,415	39,345
Other assets	6,218	6,218
<b>TOTAL ASSETS</b>	<b>\$ 94,729</b>	<b>\$ 63,393</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>		
Accounts payable & accrued liabilities	\$ 47,246	\$ 15,534
Lease payable	521	2,982
<b>TOTAL LIABILITIES</b>	<b>47,767</b>	<b>18,516</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET POSITION</b>		
Net Investment in capital assets	\$44,415	31,218
Unrestricted net position	2,547	13,659
<b>TOTAL NET POSITION</b>	<b>46,962</b>	<b>44,877</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 94,729</b>	<b>\$ 63,393</b>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative totals for 2016)**

FUNCTIONS COMPONENT UNIT ACTIVITIES	PROGRAM REVENUE				2017	2016
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL OUTLAY	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
Instruction	\$278,834	\$7,584	\$38,353	-	(\$232,897)	(256,562)
Pupil Personnel Services	13,477	-	-	-	(13,477)	(24,620)
Instructional and Curriculum Development	-	-	-	-	0	(2,000)
Instructional and Staff Training	-	-	-	-	0	(25,000)
Board	6,023	-	-	-	(6,023)	(6,000)
General Administration	25,455	-	-	-	(25,455)	(18,160)
School Administration	111,011	-	-	-	(111,011)	(106,989)
Facilities Acquisition & Construction	90,000	-	-	-	(90,000)	(120,000)
Food Services	47,266	-	47,665	-	399	-
Central Services	-	-	-	-	0	(32,717)
Pupil Transportation Services	41,394	-	-	-	(41,394)	(33,500)
Operation of Plant	18,839	-	-	-	(18,839)	(20,488)
Maintenance of Plant	4,370	-	-	-	(4,370)	(7,098)
Fiscal Services	28,324	-	-	-	(28,324)	-
Information Services	900	-	-	-	(900)	-
Unallocated Depreciation	9,703	-	-	-	(9,703)	(7,591)
<b>Total Component Unit Activities</b>	<b>\$675,596</b>	<b>\$7,584</b>	<b>\$86,018</b>	<b>\$0</b>	<b>(\$581,994)</b>	<b>(\$660,725)</b>
<b>GENERAL REVENUES:</b>						
Government grants not restricted to specific programs					\$566,478	\$654,408
Fundraising and other revenue					17,601	7,454
<b>Total General Revenue</b>					<b>584,079</b>	<b>661,862</b>
<b>CHANGE IN NET POSITION</b>					<b>2,085</b>	<b>1,137</b>
<b>NET POSITION AT BEGINNING</b>					<b>44,877</b>	<b>46,739</b>
<b>ADJUSTMENT TO BEGINNING NET ASSETS</b>					<b>-</b>	<b>(2,999)</b>
<b>ADJUSTED BEGINNING NET ASSETS</b>					<b>44,877</b>	<b>43,740</b>
<b>NET POSITION AT END</b>					<b>\$46,962</b>	<b>\$44,877</b>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY**  
**GOVERNMENTAL FUND BALANCE SHEET**

June 30, 2017

(With Comparative Totals for 2016)

	General	Special Revenue	2017 Total	2016 Total
<b>ASSETS</b>				
Cash at bank	\$ 26,578	\$ -	\$ 26,578	\$ 10,353
Grant receivable	16,051	-	16,051	7,477
Inventory	1,467	-	1,467	-
Other assets	6,218	-	6,218	6,218
<b>TOTAL ASSETS</b>	<u>\$ 50,314</u>	<u>\$ -</u>	<u>\$ 50,314</u>	<u>\$ 24,048</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable & accrued liabilities	\$ 47,246	\$ -	\$ 47,246	\$ 15,534
Lease payable	521	-	521	2,982
<b>TOTAL LIABILITIES</b>	<u>47,767</u>	<u>-</u>	<u>47,767</u>	<u>18,516</u>
 <b>FUND BALANCE</b>				
Unassigned	\$2,547	-	2,547	5,532
<b>TOTAL FUND BALANCE</b>	<u>2,547</u>	<u>-</u>	<u>2,547</u>	<u>5,532</u>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	 <u>\$ 50,314</u>	 <u>\$ -</u>	 <u>\$ 50,314</u>	 <u>\$ 24,048</u>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**



**ALPHA INTERNATIONAL ACADEMY  
NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2017  
(With Comparative Totals for 2016)**

	<b>2017</b>	<b>2016</b>
<b>Total Fund Balance - Governmental Fund</b>	2,547	5,532
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>		
Capital assets of \$53,147, net of accumulated depreciation of \$13,802 used in governmental activities are not financial resources and therefore are not reported in the fund.	44,415	39,345
<b>Total Net Position - Government Activities</b>	46,962	44,877

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative Totals for 2016)**

	GENERAL	SPECIAL REVENUE	2017 TOTAL	2016 TOTAL
<b>REVENUES:</b>				
County Funding	\$566,478	-	\$566,478	\$654,408
Operating grant	38,353	47,665	86,018	92,733
Capital outlay	-	-	-	13,295
Charges for services	7,584	-	7,584	9,603
Miscellaneous income	17,601	-	17,601	7,454
<b>Total Revenues</b>	<b>630,016</b>	<b>47,665</b>	<b>677,681</b>	<b>777,493</b>
<b>EXPENDITURES:</b>				
Instruction	278,834	-	278,834	305,633
Pupil Personnel Services	13,477	-	13,477	24,620
Instructional and Curriculum Development	-	-	-	2,000
Instructional and Staff Training	-	-	-	25,000
Board	6,023	-	6,023	6,000
General Administration	25,056	399	25,455	18,160
School Administration	111,011	-	111,011	106,989
Facilities Acquisition & Construction	90,000	-	90,000	120,000
Food Services	-	47,266	47,266	66,560
Central Services	-	-	-	32,717
Pupil Transportation Services	41,394	-	41,394	33,500
Operation of Plant	18,839	-	18,839	20,488
Maintenance of Plant	4,370	-	4,370	7,098
Fiscal Services	28,324	-	28,324	-
Information Services	900	-	900	-
Capital outlay	14,773	-	14,773	31,218
<b>Total Component Unit Activities</b>	<b>633,001</b>	<b>47,665</b>	<b>680,666</b>	<b>799,983</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,985)</b>	<b>0</b>	<b>(2,985)</b>	<b>(22,490)</b>
Fund Balance at Beginning of Year	5,532	-	5,532	31,021
Adjustment to beginning fund balance	-	-	-	(2,999)
Adjusted beginning fund balance	5,532	-	5,532	28,022
Fund Balance at End of Year	\$2,547	\$0	\$2,547	\$5,532

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative Totals for 2016)**

	2017	2016
<b>Change in Fund Balance - Governmental Fund</b>	(\$2,985)	(\$22,490)
<b>Amounts reported for governmental activities in the Statement of Activities are different because:</b>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital assets, net of depreciation	5,070	23,627
<b>Change in Net Position of Governmental Activities</b>	<b>\$2,085</b>	<b>\$1,137</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**BROWARD COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative Totals for 2016)**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Alpha International Academy, Inc.. (the "School"), incorporated in the State of Florida, pursuant to Section 228.056 of the Florida Statutes, on July 17, 2003. The School was established as a charter school for children from kindergarten through fifth grade. The School operates under a charter of the District School Board of Broward County, Florida, and is considered a non-major component unit of such board. The School is funded by Broward School system and, in addition, receives government grants. The governing board of the Charter School is a four member Board of Directors.

The general operating authority of the School is contained in Section 228.056, Florida Statutes. The current contract is effective until June 30, 2017 and may be renewed in increments of 5 to 15 years by mutual agreement between the Charter School and the District. During the term of the contract, the Sponsor may also terminate the contract, any property and improvements, furnishings, and equipment purchased with public funds and any unencumbered public funds shall revert back to the Sponsor.

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

**Government-wide and Fund Financial Statements**

Government-wide Financial Statements. The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**BROWARD COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative Totals for 2016)**

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

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements: General Fund is the School's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund. Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects. Capital Projects Fund is used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of the charter school capital outlay funding.

Additionally, the School is required to report any fiduciary fund type: Agency Funds Agency funds account for assets held by the School in a custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. The agency fund is a School Activities Fund. It accounts for monies collected and spent resulting from student activities at the School site level such as music, clubs and other similar fundraising activities.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of Alpha International Academy, Inc. (the "School") are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) Codification of Accounting and Financial Reporting Guidelines. The government-wide statements report 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. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 "Accounting and Financial Reporting for Non-Exchange Transactions". On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**BROWARD COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative Totals for 2016)**

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

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Budgetary Basis Accounting**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

**Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less. The School's cash consists of demand deposits with financial institutions which are insured by Federal depository insurance.

**Due from Other Governments or Agencies**

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

**Other Assets**

Other assets consist mainly of security deposits for utilities.

**Capital Assets, Depreciation and Amortization**

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net assets in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The School generally capitalizes assets with cost of \$500 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**BROWARD COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative Totals for 2016)**

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

**Capital Assets, Depreciation and Amortization (continued)**

capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, Fixtures and Equipment	7 Years
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**Long-term Debt**

In the government-wide financial statements, outstanding debt is reported as liabilities. The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Financing costs are reported as expenditures.

**Revenue**

Revenues for operations will be received primarily from Broward County District School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 228.056 (13), Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 236.081, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (DOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the school may receive an annual allocation of Public Education Capital Outlay funds for capital and other projects.

Finally, the School may also receive Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended.

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**BROWARD COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative Totals for 2016)**

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

**GASB Statement 34**

In June 1999, the Governmental Accounting Standards Boards (GASB) issued Statement 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments.” This Statement establishes financial reporting requirements for state and local governments throughout the United States. When implemented, it requires new information and restructure much of the information that governments have presented in the past. The School implemented this standard in the fiscal year ended June 30, 2014.

**Use of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles of the United States of America requires management to make estimates and assumptions that affect the report amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**Income Taxes**

Alpha International Academy, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is provided for in the accompanying financial statements.

**NOTE 3 – CHANGES IN CAPITAL ASSETS**

The following schedule provides a summary of changes in capital assets, for the years ended June 30, 2017 and 2016 for Alpha International Academy, Inc.:

	Balance 07/01/2016	Additions	Retirements	Balance 06/30/2017
Capital Assets				
Furniture, Fixtures, & Equipment	\$ 53,147	\$14,773	\$ -0-	\$67,920
Less Accumulated Depreciation	<u>13,802</u>	<u>9,703</u>	<u>-0-</u>	<u>23,505</u>
Capital Assets, Net	<u>\$ 39,345</u>	<u>\$ 5,070</u>	<u>\$ -0-</u>	<u>\$44,415</u>

Depreciation expense for Alpha International Academy, Inc., for the years ended June 30, 2017 was \$9,703.



**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**BROWARD COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative Totals for 2016)**

**NOTE 3 – CHANGES IN CAPITAL ASSETS (continued)**

	Balance 07/01/2015	Additions	Retirements	Balance 06/30/2016
Capital Assets				
Furniture, Fixtures, & Equipment	\$ 21,929	\$31,218	\$ -0-	\$53,147
Less Accumulated Depreciation	<u>6,211</u>	<u>7,591</u>	<u>-0-</u>	<u>13,802</u>
Capital Assets, Net	<u>\$ 15,718</u>	<u>\$ 23,627</u>	<u>\$ -0-</u>	<u>\$39,345</u>

Depreciation expense for Alpha International Academy, Inc., for the year ended June 30, 2016 was \$4,550.

**NOTE 4 – RELATED PARTIES TRANSACTIONS**

**School Board of Broward County (the Sponsor)**

Pursuant to the School's contract with the Sponsor, the Sponsor is paid a management fee of 5% of the qualifying revenues of the School. During the years ended June 30, 2017 and 2016, Alpha International Academy, Inc. paid \$28,323 and \$32,717, respectively, to the Sponsor for management fees.

**School Board of Broward County (the Sponsor)**

Pursuant to the School's contract with the Sponsor, the School receives from the Sponsor an FTE fee for each full time student enrolled. The fee is based upon various teaching requirements of each student enrolled. The number of FTE (full time equivalent students) enrolled for the fiscal years ended June 30, 2017 and 2016 for Alpha International Academy, Inc. was 72 and 89, respectively.

**NOTE 5 - OPERATING LEASE OBLIGATIONS**

The School leases buildings from Hallandale House of Learning commencing July 1, 2013 and terminating June 30, 2018.

Rent expense charged to operations and paid out of the capital outlay funds, from the School Board, amounted to \$90,000 and \$120,000 for the years ended June 30, 2017 and 2016, respectively. The rent was decreased in 2017 by the landlord due to a decrease in enrollment.

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**BROWARD COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative Totals for 2016)**

**NOTE 6 – COMMITMENTS**

The costs and unexpended funds reflected in the accompanying financial statements relating to government funding are subject to audit by the respective grantors. The possible disallowance by the funding source of any item charged to the program or request for return of any unexpended funds cannot be determined at this time. No provision for any liability is necessary at year-end, June 30, 2017 and 2016 and none has been made in the special purpose financial statements.

**NOTE 7 – CONCENTRATION OF CREDIT RISK**

Alpha International Academy, Inc. maintains cash accounts at a federally insured financial institution in Broward County, Florida. The balances, at times, may exceed federally insured limits. At June 30, 2017 and 2016, the School had no cash on deposit exceeding the insured limit.

**NOTE 8 - COMPENSATED ABSENCES**

Employees of the School are entitled to paid vacation and sick days depending on length of service. The School's policy is to recognize the cost of vacation days when earned by the employees. The current policy of the School is the vacation days not used during the calendar year are forfeited. The value of unused vacation days was determined to be immaterial and therefore no accrual has been made.

**NOTE 9 – CAPITAL LEASE**

The following is an analysis of the leased equipment under capital lease at June 30, 2017:

Furniture	\$8,336
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The following is a schedule by years of future minimum lease payments under capital lease together with the present value of the net minimum lease payment as of June 30, 2017:

Year ending June 30, 2017:

2018	<u>521</u>
Total Minimum Lease Payments	<u>\$ 521</u>

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**BROWARD COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative Totals for 2016)**

The following is an analysis of the leased equipment under capital lease at June 30, 2016:

Furniture	\$8,336
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The following is a schedule by years of future minimum lease payments under capital lease together with the present value of the net minimum lease payment as of June 30, 2016:

Year ending June 30, 2016:

2017	1,401
2018	<u>1,581</u>
Total Minimum Lease Payments	<u>\$2,982</u>

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>GOVERNMENTAL FUND</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance FAV/(UNFAV)</b>
<b>REVENUES:</b>				
Federal through State Funding	107,352	88,000	86,018	(\$1,982)
County Funding	\$639,263	\$575,000	566,478	(8,522)
Capital Outlay	\$14,000	\$0	-	0
Miscellaneous Income	13,387	13,387	17,601	4,214
Charges for services	-	9,000	7,584	(1,416)
<b>Total Revenue</b>	<b>774,002</b>	<b>685,387</b>	<b>677,681</b>	<b>(7,706)</b>
<b>EXPENDITURES:</b>				
Instruction	314,644	275,000	278,834	(3,834)
Instructional support services	11,000	11,000	13,477	(2,477)
Board	6,000	6,000	6,023	(23)
General Administration	26,810	26,810	25,455	1,355
School Administration	115,047	115,047	111,011	4,036
Facilities Acquisition & Construction	120,000	120,000	90,000	30,000
Food Services	56,664	50,000	47,266	2,734
Fiscal Services	31,963	31,963	28,324	3,639
Pupil Transportation Services	40,500	40,500	41,394	(894)
Operation of Plant	39,196	20,000	18,839	1,161
Maintenance of Plant	10,000	5,000	4,370	630
Information Services	-	1,000	900	100
Capital Outlay	-	-	14,773	(14,773)
<b>Total Expenditures</b>	<b>771,824</b>	<b>702,320</b>	<b>680,666</b>	<b>21,654</b>
Excess (Deficiencies) of Expenditures and Financing				
Sources Over Revenues	2,178	(16,933)	(2,985)	(29,360)
Fund Balance at Beginning of Year	-	-	5,532	5,532
Adjustment to Beginning Fund Balance	-	-	-	-
Adjusted Beginning Fund Balance	-	-	5,532	5,532
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$2,178</b>	<b>(\$16,933)</b>	<b>\$2,547</b>	<b>(\$23,828)</b>

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF BROWARD COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	GOVERNMENTAL FUND					Variance
	Original Budget	Final General Budget	Final Special Revenue Budget	Final Total Budget	Actual	
<b>REVENUES:</b>						
County Funding	\$675,384	\$675,384	-	\$675,384	\$654,408	(\$20,976)
Operating grants and Contributions	89,366	89,366	-	89,366	92,733	3,367
Capital outlay	14,000	14,000	-	14,000	13,295	(705)
Charges for services	1,387	-	1,387	1,387	9,603	9,603
Miscellaneous income	10,500	10,500	-	10,500	7,454	(3,046)
<b>Total Revenue</b>	<b>790,637</b>	<b>789,250</b>	<b>1,387</b>	<b>790,637</b>	<b>777,493</b>	<b>(11,757)</b>
<b>EXPENDITURES:</b>						
Instruction	308,916	308,916	-	308,916	327,986	19,070
Pupil Personnel Services	11,000	11,000	-	11,000	24,620	13,620
Instructional and Curriculum Development	2,000	2,000	-	2,000	2,000	0
Instructional and Staff Training	25,000	25,000	-	25,000	25,000	0
Board	6,000	6,000	-	6,000	6,000	0
General Administration	18,600	18,600	-	18,600	18,160	(440)
School Administration	116,553	116,553	-	116,553	84,636	(31,917)
Facilities Acquisition & Construction	120,000	120,000	-	120,000	120,000	0
Food Services	46,407	-	46,407	46,407	66,560	20,153
Central Services	33,769	33,769	-	33,769	32,717	(1,052)
Pupil Transportation Services	36,000	36,000	-	36,000	33,500	(2,500)
Operation of Plant	20,204	20,204	-	20,204	20,488	284
Fiscal Services	500	500	-	500	-	(500)
Maintenance of Plant	8,000	8,000	-	8,000	7,098	(902)
Capital Outlay	-	14,000	-	14,000	31,218	17,218
<b>Total Expenditures</b>	<b>752,949</b>	<b>720,542</b>	<b>46,407</b>	<b>766,949</b>	<b>799,983</b>	<b>33,034</b>
Excess (Deficiencies) of Expenditures and Financing Sources Over Revenues	37,688	68,708	(45,020)	23,688	(22,490)	(44,791)
Fund Balance at Beginning of Year	-	-	-	-	31,021	31,021
Adjustment to beginning fund balance	-	-	-	-	(2,999)	(2,999)
Adjusted beginning fund balance	-	-	-	-	28,022	28,022
<b>NET CHANGE IN FUND BALANCE</b>	<b>37,688</b>	<b>68,708</b>	<b>(45,020)</b>	<b>23,688</b>	<b>5,532</b>	<b>(16,769)</b>

**ALPHA INTERNATIONAL ACADEMY, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**BROWARD COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2017**  
**(With Comparative Totals for 2016)**

**NOTE A.**

The Charter School formally adopted budgets for the years ended June 30, 2017 and 2016. Budgeted amounts may be amended by resolution or ordinance by the Board. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. A comparison of the actual results of operations to the budgeted amounts for the General Fund is presented as supplementary information.

**NOTE B.**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

**NOTE C.**

The budget is adopted using the same basis of accounting on which the financial statements are prepared except for a 5% administrative charge for the 1<sup>st</sup> 250 students, that is retained by the School Board of Miami-Dade County.

**L. BROWN AND COMPANY, P.A.**  
Certified Public Accountants and Consultants

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE  
BASED ON AN AUDIT OF SPECIAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Alpha International Academy, Inc.  
Miami, Florida

We have audited the financial statements of Alpha International Academy, Inc., (the "School") (a nonprofit organization) as of June 30, 2017 and 2016 and for the year then ended and have issued our report thereon dated October 15, 2017. We conducted our audit in accordance with generally accepted auditing standards of the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the School's board of directors, Miami-Dade County Commission, District School Board of Miami-Dade County, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*L. Brown and Company P.A.*

L. Brown and Company, P.A.  
October 15, 2017



**L. BROWN AND COMPANY, P.A.**  
Certified Public Accountants and Consultants

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4281 W. McNab Road, Suite #18      ♦♦♦      Pompano Beach, Florida 33069  
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND CHAPTER 10.550, RULES OF THE AUDITOR**

To the Board of Directors of  
Alpha International Academy, Inc.  
Miami, Florida

We have audited the Alpha International Academy, Inc.'s compliance with the types of compliance requirements described in the requirements described in the Department of Financial Services' State Projects Compliance Supplement that could have a direct and material effect on each of Alpha International Academy, Inc.'s major State projects for the years ended June 30, 2017 and 2016.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State projects.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Alpha International Academy, Inc.'s major Federal programs and State projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about the Alpha International Academy, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program and State project. However, our audit does not provide a legal determination of the Alpha International Academy, Inc.'s compliance.

### **Opinion on Each Major State Project**

In our opinion, the Alpha International Academy, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State projects for the years ended June 30, 2017 and 2016.

### **Report on Internal Control Over Compliance**

Management of the Alpha International Academy, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Alpha International Academy, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program or State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and State project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Alpha International Academy, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses, or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

*L. Brown and Company, P.A.*

L. Brown and Company, P.A.  
October 15, 2017

# L. BROWN AND COMPANY, P.A.

*Certified Public Accountants and Consultants*

4281 W. McNab Road, Suite 18  
Telephone (803) 747-2960



Member American and Florida Institutes of Certified Public Accountants

Pompano Beach, Florida 33069

E-mail: lbrown49@gmail.com

The Board of Directors  
Alpha International Academy, Inc.  
Miami, Florida

## **Report on the Financial Statements**

We have audited the financial statements of Alpha International Academy, Inc., Florida, as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated October 15, 2017.

## **Auditor's Responsibility**

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

## **Other Reports and Schedules**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, which is dated October 15, 2017, 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 recommendations made in the preceding 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 Alpha International Academy, Inc.

## **Financial Condition**

Section 10.854(1)(e)2., Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the Alpha International Academy, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Alpha International Academy, Inc. 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 Alpha International Academy, Inc. It is management's responsibility to monitor the Alpha International Academy, Inc.'s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

#### **Transparency**

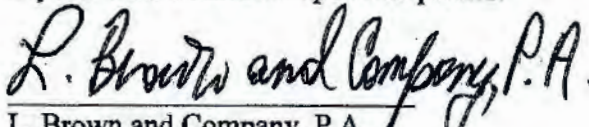
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the Alpha International Academy, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.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

#### **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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, Federal and other granting agencies, the Board of Directors, applicable management, and District School Board of Broward County and is not intended to be and should not be used by anyone other than these specified parties.

  
L. Brown and Company, P.A.

Broward County, Florida

October 15, 2017

**DISTRICT SCHOOL BOARD, CHARTER SCHOOL AND SIMILAR ENTITY,  
THE FLORIDA VIRTUAL SCHOOL (INCLUDING FLORIDA VIRTUAL SCHOOL  
GLOBAL), AND VIRTUAL INSTRUCTION PROGRAM PROVIDER  
AUDIT REPORT SUBMITTAL CHECKLIST**

Entity Name: ALPHA INTERNATIONAL ACADEMY, INC.

Entity Address: 121 SOUTH 24<sup>th</sup> AVENUE, HOLLYWOOD, FL. 33020

Entity Contact Person:

Name: MS. CAROL GARDNER, CPA  
Title: CHAIR, BOARD OF DIRECTORS  
Phone Number: 305-775-2181  
E-mail Address: cpgardnercpa@gmail.com

CPA or Other (if applicable):

Name: MR. LAURENCE BROWN  
Title: PRESIDENT  
Phone Number: 803-747-2960  
E-mail Address: lbrown49@gmail.com

Fiscal Year Audited: JUNE 30, 2017

Date the auditor delivered the audit report to the entity: OCTOBER 16, 2017

Does the audit report include the following items required by Sections 10.806(2) or 10.856(2), Rules of the Auditor General, as applicable?

YES Financial statements, as described in Sections 10.805(3) and 10.855(3) - (8), Rules of the Auditor General, as applicable, together with related notes to financial statements?

YES Required supplementary information such as the management's discussion and analysis?

YES The auditor's report on the financial statements?

YES The auditor's report on internal control and compliance?

N/A If applicable, the auditor's reports and related financial information required pursuant to the Federal Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); or other applicable Federal law?

YES The management letter defined in Sections 10.804(1)(f) and 10.854(1)(e), Rules of the Auditor General, as applicable?

**Note: Rule References are to Rules of the Auditor General effective June 30, 2017**

N/A The written statement of explanation or rebuttal required by Sections 10.807(1) and 10.857(2), Rules of the Auditor General, as applicable?

N/A For district school boards that had an impact fee adopted by ordinance on their behalf, an "affidavit" signed and sworn to by the chief financial officer before an officer authorized to administer oaths (e.g., notary public) stating that the ordinance complied with the requirements of Section 163.31801, Florida Statutes, as referenced by Section 10.806(2)(h), Rules of the Auditor General?

In addition to the above, have the following requirements been complied with:

YES Are all of the above elements of the audit report included in a **single document** as required by Sections 10.806(2) and 10.856(2), Rules of the Auditor General, as applicable?

YES Are **one** paper copy and **one** electronic copy of the audit report being submitted as required by Sections 10.807(3) and 10.857(4), Rules of the Auditor General, as applicable?

YES Is the electronic copy named using all lower case letters as follows: [fiscal year] [name of entity].pdf? For example, the converted document for the 2016-17 fiscal year for Alachua County District School Board should be named 2017 alachua county dsb.pdf, while the converted document for the 2016-17 fiscal year for Alachua Learning Center, Inc. should be named 2017 alachua learning center.pdf. If the charter school goes by a DBA (doing business as), use the DBA in the file name.

YES Was the audit report submitted within 45 days after receipt of the audit report from the auditor, but no later than 9 months after the end of the fiscal year as required by Section 218.39(7), Florida Statutes, as referenced by Sections 10.807(3) and 10.857(4), Rules of the Auditor General? **NOTE:** There is no provision in law authorizing an extension for filing the audit report.

**This checklist should accompany the audit report.** It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact us if assistance or clarification is needed regarding reporting requirements. Our contact information is as follows:

Auditor General  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Telephone: (850) 412-2881  
Fax: (850) 488-6975  
E-mail Address: flaudgen\_dsb\_charter@aud.state.fl.us  
Web site Address: [FLAuditor.gov](http://FLAuditor.gov)

**Note: Rule References are to Rules of the Auditor General effective June 30, 2017**