

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, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

L. Brown and Company, P.A.
Certified Public Accountants and Consultants

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ALPHA INTERNATIONAL ACADEMY, INC.
A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF
BROWARD COUNTY
FOR THE YEAR ENDED JUNE 30, 2018

GENERAL INFORMATION

BOARD OF DIRECTORS
2017 – 2018

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 24th Avenue, Hollywood, Fl. 33020

GENERAL INFORMATION

TOTAL SCHOOL ENROLLMENT AND GRADE CONFIGURATION

Alpha International Academy, Inc.

GRADE	TOTAL	%
K	08	10%
1	07	9%
2	15	18%
3	20	24%
4	18	22%
5	<u>14</u>	<u>17%</u>
TOTAL	<u>82</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, 2018**

GENERAL INFORMATION

**BOARD OF DIRECTORS
2016 – 2017**

Ms. Carol Gardner, Chair
Dr. Shirley Johnson
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SCHOOL ADMINISTRATION

Mr. Wayne Neunie, Principal

NAME AND ADDRESS OF SCHOOL LOCATION

Alpha International Academy, Inc., 121 South 24th 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	05	06%
TOTAL	<u>72</u>	<u>100%</u>

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

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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, 2018 and 2017, 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

Board of Directors
September 15, 2018

Auditor's Responsibility (Continued)

opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, 2018 and 2017, 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

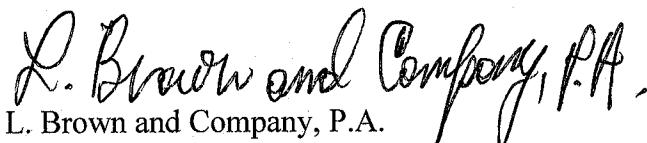
Other Matters

The basic financial statements, referred to in the first paragraph, were prepared for the purpose of complying with Part 1V 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 September 30, 2018, 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.
September 15, 2018

**ALPHA INTERNATIONAL ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED).
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)**

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, 2018 and 2017.

FINANCIAL HIGHLIGHTS

Some highlights for the years ended June 30, 2018 and 2017 were as follows:

2018 –

- * The School received \$584,440 in FTE funds from the District School Board of Broward County in fiscal year ended June 30, 2018.
- * Total assets of the School were \$68,450 in fiscal year 2018.
- *At June 30, 2018, assets of the School exceeded it liabilities by \$60,428.

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 were \$94,729 in fiscal year 2017.
- *At June 30, 2017, assets of the School exceeded it liabilities by \$46,962.

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, 2018 and 2017 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 (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

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 (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)**

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 \$60,428 and \$46,9627 at the close of fiscal years 2018 and 2017, respectively. A summary of the School's net assets for the fiscal years 2018 and 2017 follows:

	<u>2018</u>
Cash	\$ 21,730
Grants receivable	5,790
Furniture, fixtures and equipment, net	34,712
Other assets	<u>6,217</u>
Total Assets	<u>\$ 68,450</u>
Accounts payable & accrued liabilities	<u>\$ 8,022</u>
Total Liabilities	<u>\$ 8,022</u>
Net investment in capital assets	\$ 34,712
Unrestricted net position	<u>25,716</u>
Total Net Position	<u>\$ 60,428</u>
	<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>

**ALPHA INTERNATIONAL ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2018 and 2017 follows:

	<u>2018</u>
REVENUES:	
County funding	\$ 584,440
Operating grant	87,818
Capital outlay	18,300
Charges for services	6,370
Miscellaneous income	<u>33,727</u>
TOTAL REVENUES	<u>\$ 730,655</u>
EXPENDITURES:	
Instruction	\$ 312,169
Pupil Personnel Services	26,804
Board	6,023
General administration	23,605
School administration	123,731
Facilities acquisition & construction	60,000
Food services	56,169
Central services	29,222
Pupil transportation services	39,275
Operation of plant	15,246
Maintenance of Plant	5,126
Information services	10,116
Unallocated Depreciation	<u>9,703</u>
TOTAL EXPENDITURES	<u>\$ 717,189</u>
CHANGE IN NET POSITION	13,466
NET POSITION AT BEGINNING	<u>46,962</u>
NET POSITION AT END	<u>\$ 60,428</u>

**ALPHA INTERNATIONAL ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>2017</u>
REVENUES:	
County funding	\$ 566,478
Operating grant	86,018
Charges for services	7,584
Miscellaneous income	<u>17,601</u>
TOTAL REVENUES	<u>\$ 677,681</u>
EXPENDITURES:	
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	<u>9,703</u>
TOTAL EXPENDITURES	<u>\$ 675,596</u>
CHANGE IN NET POSITION	2,085
NET POSITION AT BEGINNING	<u>44,877</u>
NET POSITION AT END	<u>\$ 46,962</u>

Lease of Facility

The School leased facilities, during fiscal year 2018, 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 24th Avenue, Hollywood, Fl. 33020.

**ALPHA INTERNATIONAL ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)**

Capital Improvement Requirements

The activities undertaken by the School during 2018 and 2017 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, 2018 and 2017 amounted to \$34,712 and \$44,415 (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 2018 and 2017 are presented on Page 26 – 27.

Variances reported in the budget to actual comparison for fiscal years 2018 and 2017 resulted primarily from the following:

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

2018 -

1. Full time equivalent revenue was lower than budgeted by \$9,427 because enrollment was lower than budgeted.
2. Actual pupil personnel services exceeded the budget because additional special services to students were provided.
3. Actual facilities acquisition and construction was lower than budget by \$36,000 as rent decreased due to lower enrollment than budgeted.
4. Actual capital outlay exceeded budget by \$9,703 because capital outlay funds were not budgeted in fiscal year 2018.

2017 -

1. Full time equivalent revenue was lower than budgeted by \$8,522 because enrollment was lower than budgeted.
2. The facilities acquisition and construction decreased by \$30,000 as rent decreased due to lower enrollment than budgeted.
3. Actual capital outlay exceeded budget by \$14,773 because capital outlay funds were not budgeted in fiscal year 2017.

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, 2018
(With Comparative Totals for 2017)

	2018 Total	2017 Total
ASSETS		
Cash at bank	\$ 21,730	\$ 26,578
Grant receivable	5,791	16,051
Inventory	-	1,467
Furniture and equipment, net	34,712	44,415
Other assets	6,217	6,218
TOTAL ASSETS	\$ 68,450	\$ 94,729
LIABILITIES AND NET POSITION		
LIABILITIES		
Accounts payable & accrued liabilities	\$ 8,022	\$ 47,246
Lease payable	-	521
TOTAL LIABILITIES	8,022	47,767
COMMITMENTS AND CONTINGENCIES		
NET POSITION		
Net Investment in capital assets	\$34,712	44,415
Unrestricted net position	25,716	2,547
TOTAL NET POSITION	60,428	46,962
TOTAL LIABILITIES AND NET POSITION	\$ 68,450	\$ 94,729

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, 2018
(With Comparative totals for 2017)

FUNCTIONS COMPONENT UNIT ACTIVITIES	PROGRAM REVENUE				2018	2017
	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	\$312,169	\$6,370	\$39,741	-	(\$266,058)	(232,897)
Pupil Personnel Services	26,804	-	-	-	(26,804)	(13,477)
Instructional and Curriculum Development	-	-	-	-	-	-
Instructional and Staff Training	-	-	-	-	-	-
Board	6,023	-	-	-	(6,023)	(6,023)
General Administration	23,605	-	-	-	(23,605)	(25,455)
School Administration	123,731	-	-	-	(123,731)	(111,011)
Facilities Acquisition & Construction	60,000	-	-	18,300	(41,700)	(90,000)
Food Services	56,169	-	48,077	-	(8,092)	399
Central Services	29,222	-	-	-	(29,222)	-
Pupil Transportation Services	39,275	-	-	-	(39,275)	(41,394)
Operation of Plant	15,246	-	-	-	(15,246)	(18,839)
Maintenance of Plant	5,126	-	-	-	(5,126)	(4,370)
Fiscal Services	-	-	-	-	-	(28,324)
Information Services	10,116	-	-	-	(10,116)	(900)
Unallocated Depreciation	9,703	-	-	-	(9,703)	(9,703)
Total Component Unit Activities	\$717,189	\$6,370	\$87,818	\$18,300	(\$604,701)	(\$581,994)
GENERAL REVENUES:						
Government grants not restricted to specific programs					\$584,440	\$566,478
Fundraising and other revenue					33,727	17,601
Total General Revenue					618,167	584,079
CHANGE IN NET POSITION					13,466	2,085
NET POSITION AT BEGINNING					46,962	44,877
NET POSITION AT END					\$60,428	\$46,962

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, 2018
(With Comparative Totals for 2017)

	General	Special Revenue	2018 Total	2017 Total
ASSETS				
Cash at bank	\$ 21,730	\$ -	\$ 21,730	\$ 26,578
Grant receivable	5,791	-	5,791	16,051
Inventory	-	-	-	1,467
Other assets	6,217	-	6,217	6,218
TOTAL ASSETS	<u>\$ 33,738</u>	<u>\$ -</u>	<u>\$ 33,738</u>	<u>\$ 50,314</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable & accrued liabilities	\$ 8,022	\$ -	\$ 8,022	\$ 47,246
Lease payable	-	-	-	521
TOTAL LIABILITIES	<u>8,022</u>	<u>-</u>	<u>8,022</u>	<u>47,767</u>
FUND BALANCE				
Unassigned	25,716	-	25,716	2,547
TOTAL FUND BALANCE	<u>25,716</u>	<u>-</u>	<u>25,716</u>	<u>2,547</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 33,738</u>	<u>\$ -</u>	<u>\$ 33,738</u>	<u>\$ 50,314</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, 2018
(With Comparative Totals for 2017)

	2018	2017
Total Fund Balance - Governmental Fund	25,716	2,547
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets of \$67,919, net of accumulated depreciation of \$35,360 used in governmental activities are not financial resources and therefore are not reported in the fund.	34,712	44,415
Total Net Position - Government Activities	60,428	46,962

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, 2018
(With Comparative Totals for 2017)

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	2018 TOTAL	2017 TOTAL
REVENUES:				
County Funding	\$584,440	-	\$584,440	\$566,478
Operating grant	39,741	48,077	87,818	86,018
Capital outlay	-	18,300	18,300	-
Charges for services	6,370	-	6,370	7,584
Miscellaneous income	33,727	-	33,727	17,601
Total Revenues	664,278	66,377	730,655	677,681
EXPENDITURES:				
Instruction	312,169	-	312,169	278,834
Pupil Personnel Services	26,804	-	26,804	13,477
Instructional and Curriculum Development	-	-	-	-
Instructional and Staff Training	-	-	-	-
Board	6,023	-	6,023	6,023
General Administration	23,605	-	23,605	25,455
School Administration	123,731	-	123,731	111,011
Facilities Acquisition & Construction	41,700	18,300	60,000	90,000
Food Services	-	56,169	56,169	47,266
Central Services	29,222	-	29,222	-
Pupil Transportation Services	39,275	-	39,275	41,394
Operation of Plant	15,246	-	15,246	18,839
Maintenance of Plant	5,126	-	5,126	4,370
Fiscal Services	-	-	-	28,324
Information Services	10,116	-	10,116	900
Capital outlay	-	-	-	14,773
Total Component Unit Activities	633,017	74,469	707,486	680,666
Excess (Deficiency) of Revenues Over Expenditures	31,261	(8,092)	23,169	(2,985)
Other Financing Sources (Uses):				
Transfers In	(8,092)	-	(8,092)	-
Transfers (Out)	-	8,092	8,092	-
Total Other Financing Sources (Uses)	(8,092)	8,092	-	-
Net Change in Fund Balances	23,169	-	23,169	(2,985)
Fund Balance at Beginning of Year	2,547	-	2,547	5,532
Fund Balance at End of Year	25,716	-	25,716	2,547

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, 2018
(With Comparative Totals for 2017)

	2018	2017
Change in Fund Balance - Governmental Fund	\$23,169	(\$2,985)
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 allocated over their estimated useful lives as depreciation expense.	(9,703)	5,070
Change in Net Position of Governmental Activities	\$13,466	\$2,085

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, 2018
(With Comparative Totals for 2017)

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, 2022 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, 2018
(With Comparative Totals for 2017)

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.
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(With Comparative Totals for 2017)

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
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

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, 2018
(With Comparative Totals for 2017)

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, 2018 and 2017 for Alpha International Academy, Inc.:

	Balance 07/01/2017	Additions	Retirements	Balance 06/30/2018
Capital Assets				
Furniture, Fixtures, & Equipment	\$ 67,920	\$ -0-	\$ -0-	\$67,920
Less Accumulated Depreciation	<u>23,505</u>	<u>9,703</u>	<u>-0-</u>	<u>33,208</u>
Capital Assets, Net	<u>\$ 44,415</u>	<u>\$ 9,703</u>	<u>\$ -0-</u>	<u>\$34,712</u>

Depreciation expense for Alpha International Academy, Inc., for the years ended June 30, 2018 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, 2018
(With Comparative Totals for 2017)

NOTE 3 – CHANGES IN CAPITAL ASSETS (continued)

	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 year ended June 30, 2017 was \$9,703.

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, 2018 and 2017, Alpha International Academy, Inc. paid \$29,222 and \$28,323, 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, 2018 and 2017 for Alpha International Academy, Inc. was 82 and 72, 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 \$60,000 and \$90,000 for the years ended June 30, 2018 and 2017, 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
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for 2017)

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, 2018 and 2017 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, 2018 and 2017, 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 EQUIPMENT

The capital lease at June 30, 2017 was paid off in fiscal year 2018. The equipment at June 30, 2018 is as follows:

Furniture	\$8,336
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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, 2018

	GOVERNMENTAL FUND					
	Original Budget	Final General Budget	Final Special Revenue Budget	Final Total Budget	Actual	Variance
REVENUES:						
County Funding	668,384	593,867	-	593,867	584,440	(9,427)
Operating grants and Contributions	104,650	42,422	65,500	107,922	87,818	45,396
Capital outlay	20,000	17,340	-	17,340	18,300	960
Charges for services	-	-	-	-	6,370	6,370
Miscellaneous income	10,000	9,048	-	9,048	33,727	24,679
Total Revenue	803,034	662,677	65,500	728,177	730,655	67,978
EXPENDITURES:						
Instruction	348,632	316,771	-	316,771	312,169	(4,602)
Pupil Personnel Services	5,000	6,500	-	6,500	26,804	20,304
Instructional and Curriculum Development	-	-	-	-	-	-
Instructional and Staff Training	5,000	3,120	-	3,120	-	(3,120)
Board	6,000	6,000	-	6,000	6,023	23
General Administration	17,608	17,608	-	17,608	23,605	5,997
School Administration	128,359	117,594	-	117,594	123,731	6,137
Facilities Acquisition & Construction	120,000	96,000	-	96,000	60,000	(36,000)
Food Services	59,950	-	55,000	55,000	56,169	1,169
Central Services	-	-	-	-	-	-
Pupil Transportation Services	40,500	40,500	-	40,500	39,275	(1,225)
Operation of Plant	23,700	21,531	-	21,531	15,246	(6,285)
Information Services	11,000	11,000	-	11,000	10,116	(884)
Fiscal Services	33,419	29,693	-	29,693	29,222	(471)
Maintenance of Plant	9,190	7,360	-	7,360	5,126	(2,234)
Capital Outlay	-	-	-	-	9,703	9,703
Total Expenditures	808,358	673,677	55,000	728,677	717,189	(11,488)
Excess (Deficiencies) of Expenditures and Financing Sources Over Revenues	(5,324)	(11,000)	10,500	(500)	13,466	79,466
Fund Balance at Beginning of Year	-	-	-	-	46,962	46,962
NET CHANGE IN FUND BALANCE	(5,324)	(11,000)	10,500	(500)	60,428	126,428

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

	GOVERNMENTAL FUND			
	Original Budget	Final Budget	Actual	Variance FAV/(UNFAV)
REVENUES:				
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)
Total Revenue	774,002	685,387	677,681	(7,706)
EXPENDITURES:				
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)
Total Expenditures	771,824	702,320	680,666	21,654
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
NET CHANGE IN FUND BALANCE	\$2,178	(\$16,933)	\$2,547	(\$23,828)

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, 2018
(With Comparative Totals for 2017)

NOTE A.

The Charter School formally adopted budgets for the years ended June 30, 2018 and 2017. 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 1st 250 students, that is retained by the School Board of Miami-Dade County.

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

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

**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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alpha International Academy, Inc., (the "School") (a nonprofit organization) and a component unit of the District School board of Broward County as of June 30, 2018 and 2017 and for the year then ended and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 15, 2018.

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. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

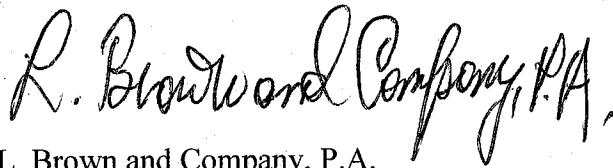
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. 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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Purpose of this Report

This report is intended solely for the information and use of the School's Board of Directors, Broward County Commission, District School Board of Broward 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.

A handwritten signature in black ink that reads "L. Brown and Company, P.A." in a cursive script.

L. Brown and Company, P.A.
September 30, 2018

L. BROWN AND COMPANY, P.A.

Certified Public Accountants and Consultants

4281 W. McNab Road, Suite 18



Pompano Beach, Florida 33069

Telephone (803) 747-2960

Member American and Florida Institutes of Certified Public Accountants

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, 2018, and have issued our report thereon dated September 15, 2018.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, which is dated September 15, 2018. Disclosures in those reports and schedule, which are dated September 15, 2018, 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 and Management

Section 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the 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 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

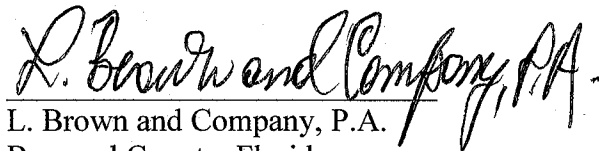
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the Alpha International Academy, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. 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, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and 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
September 15, 2018