

ACADEMY FOR POSITIVE LEARNING, INC.

***BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION***

Year Ended June 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Academy for Positive Learning, Inc.
West Palm Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Academy for Positive Learning, Inc. ("the Academy"), a charter school, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprises Academy for Positive Learning, Inc.'s basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Academy, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 – 7 and 23 – 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



Hollywood, FL
September 28, 2021

**ACADEMY FOR POSITIVE LEARNING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Our discussion and analysis of the Academy for Positive Learning, Inc.'s ("Academy") financial program provides an overview of the Academy's financial activities for the year ended June 30, 2021.

Because the information contained in this discussion is intended to highlight significant transactions, it should be read in conjunction with the Academy's financial statements which begin on page 8.

For financial statement purposes for the year ended June 30, 2021, the Academy is not considered a component unit of the Palm Beach County District School Board, Florida, which is a primary government

The Academy has included separate statements for the Balance Sheet of Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds. The Fund Financial Statements reflect financing activities of the Academy by providing information on inflows and outflows of spendable resources, while the Statement of Net Position and the Statement of Activities provide

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Academy's financial position. Included in these statements are all assets and liabilities using the accrual method of accounting. All of the current year's revenues and expenses are recorded when received.

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

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Fund Financial Statements

A *Fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

Governmental Funds - All of the Academy's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Academy's governmental activities and the basic

Notes to the 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 14-22 of this report.

**ACADEMY FOR POSITIVE LEARNING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Academy's financial position. Current and other assets of the Academy, primarily consisting of cash and cash equivalents, increased as a result of the Paycheck Protection Program loan. Capital assets decreased due to writing off of leasehold improvements after the school moved to a new building. Increase in noncurrent liabilities is a result of the Paycheck Protection Program loan, which is expected to be forgiven. The Academy's assets exceeded liabilities by \$260,627 and \$140,192 at June 30, 2021 and 2020, respectively.

NET POSITION

| | <u>2021</u> | <u>2020</u> | <u>Variance</u> |
|------------------------------------|-------------------|-------------------|-------------------|
| Current Assets | \$ 355,425 | \$ 263,757 | \$ 91,668 |
| Capital Assets | <u>111,733</u> | <u>76,647</u> | <u>35,086</u> |
| Total Assets | <u>\$ 467,158</u> | <u>\$ 340,404</u> | <u>\$ 126,754</u> |
| Current Liabilities | \$ 47,743 | \$ 21,850 | \$ 25,893 |
| Noncurrent Liabilities | | | |
| Portion due within one year | | | |
| Notes payable | 16,370 | 16,370 | - |
| Portion due after one year | | | |
| Notes payable | <u>142,418</u> | <u>161,992</u> | <u>(19,574)</u> |
| Total non-current liabilities | 158,788 | 178,362 | (19,574) |
| Total liabilities | \$ 206,531 | \$ 200,212 | \$ 6,319 |
| Net Position | | | |
| Investments in Capital Assets | | | |
| net of related debt | \$ 111,733 | \$ 76,647 | \$ 35,086 |
| Unrestricted | 148,894 | 63,545 | 85,349 |
| Restricted | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Net Position | <u>260,627</u> | <u>140,192</u> | <u>120,435</u> |
| Total Liabilities and Net Position | <u>\$ 467,158</u> | <u>\$ 340,404</u> | <u>\$ 126,754</u> |

**ACADEMY FOR POSITIVE LEARNING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

| <u>Revenue Sources</u> | <u>2021</u> | <u>2020</u> | <u>Variance</u> |
|--------------------------------------|----------------|---------------|-----------------|
| State passed through local school | \$ 976,403 | \$ 912,293 | 64,110 |
| Federal passed through local schools | 75,490 | 51,612 | 23,878 |
| Interest income | 27 | 15 | 12 |
| Other revenue | <u>134,778</u> | <u>41,342</u> | <u>93,436</u> |
| Total | \$ 1,186,698 | \$ 1,005,262 | \$ 181,436 |

Revenues for governmental activities totaled \$1,186,698 and \$1,005,262 for the years ended June 30, 2021 and 2020, respectively. The main source of revenue was from the Florida Education Finance Program ("FEFP"). This revenue represented approximately 86% and 82% of total revenue for the years ended June 30, 2021 and 2020, respectively.

Expenses for major functions of the Academy are shown in the following table:

| | <u>2021</u> | <u>2020</u> | <u>Variances</u> |
|--|--------------|--------------|------------------|
| Basic instruction | \$ 374,865 | \$ 308,354 | \$ 66,511 |
| Pupil personnel services | 53,023 | 20,349 | 32,674 |
| Instructional media services | 1,775 | 2,444 | (669) |
| Instructional staff training | 1,547 | 2,878 | (1,331) |
| Board expenses | 14,428 | 32,920 | (18,492) |
| General administration | 43,374 | 41,013 | 2,361 |
| School administration | 224,722 | 226,047 | (1,325) |
| Facilities acquisitions & construction | 198,635 | 288,444 | (89,809) |
| Fiscal services | 11,016 | 10,752 | 264 |
| Food services | 16,019 | 20,317 | (4,298) |
| Pupil transportation services | - | 1,200 | (1,200) |
| Operation of plant | 76,139 | 105,106 | (28,967) |
| Maintenance of plant | 34,711 | 30,341 | 4,370 |
| Community activities | 12,279 | 40,256 | (27,977) |
| Debt service | <u>3,730</u> | <u>4,577</u> | <u>(847)</u> |
| Totals | \$ 1,066,263 | \$ 1,134,998 | \$ (68,735) |

On November 8, 2019, the Academy entered into an installment loan in the amount of \$70,000 with a local bank (PNC Bank). Note has a fixed rate of interest of 6.8% with repayment terms of principle plus interest amounting to \$1,675.21 over a 48 month period. The Academy has pledged all the cash on deposit with the Lender Bank. The Local Bank loan amounted to \$44,591 as of June 30, 2021.

The repayment of principal and interest is reflected in the fund balance summary as a decrease to the fund balance.

**ACADEMY FOR POSITIVE LEARNING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

FUND FINANCIAL ANALYSIS

Key highlights for the fiscal years ended June 30, 2021 and 2020 are as follows:

| | <u>2021</u> | <u>2020</u> | <u>Variance</u> |
|---------------------------------|--------------------|--------------------|-----------------|
| Revenue | \$ 1,069,298 | \$ 1,005,262 | \$ 64,036 |
| Other financing sources | 114,197 | 187,400 | (73,203) |
| Debt services | (20,101) | (22,193) | 2,092 |
| Expenditures | <u>(1,097,619)</u> | <u>(1,089,126)</u> | <u>(8,493)</u> |
| Change in fund balance | 65,775 | 81,343 | (15,568) |
| Fund balance, beginning of year | <u>241,907</u> | <u>160,564</u> | <u>81,343</u> |
| Fund balance, end of year | \$ 307,682 | \$ 241,907 | \$ 65,775 |

CURRENT YEAR VS PRIOR YEAR RESULTS

The 2020-2021 school year was the seventeenth year that the Academy enrolled students. Total revenue was \$1,069,298 and \$1,005,262 for the years ended June 30, 2021 and 2020, respectively. The increase in revenue was primarily the result of increases in Covid-19 funding. Total expenses were \$1,097,619 and \$1,089,126 for the years ended June 30, 2021 and 2020, respectively. The increase in expenses is primarily attributable to an increase in instruction salaries and support staff to handle the student count.

BUDGETARY HIGHLIGHTS

Actual revenue was approximately \$161,000 under the budgeted revenue mostly due to management budgeting for additional fundraising revenue in the last quarter of the fiscal year that was never received as a result of Covid-19. Actual expenses were approximately \$61,000 less than budgeted due to the reduction in the number of students.

DEBT SERVICE

The Academy received a Paycheck Protection Program loan from the SBA for \$117,400. The PPP loan was used for payroll and certain overhead costs and was forgiven in full on June 1, 2021. The Academy received the second round of PPP loan on February 13, 2021 and believes that it followed all necessary rules and requirements to allow for the entire loan amount to be forgiven. The Academy will be applying for forgiveness in the June 30, 2022 fiscal year.

PROSPECTS FOR THE FUTURE

The Academy is working on renovations to our new location during the coming year and we will be working on increasing enrollment. Additionally, the landlord and Academy are working together for financial assistance for these renovations.

ACADEMY FOR POSITIVE LEARNING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Academy For Positive Learning, Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Academy For Positive Learning, Inc., 2405 Mercer Ave, West Palm Beach, FL 33401.

ACADEMY FOR POSITIVE LEARNING, INC.
STATEMENT OF NET POSITION
JUNE 30, 2021

| | Governmental Activities |
|---|----------------------------|
| <hr/> | |
| ASSETS | |
| CURRENT ASSETS | |
| Cash | \$ 322,956 |
| Accounts receivable, net | 2,469 |
| Deposits | 30,000 |
| Total current assets | <u>355,425</u> |
| CAPITAL ASSETS | |
| Capital Assets, Net of Accumulated Depreciation | |
| Furniture, fixtures and equipment | 16,094 |
| Leasehold improvements | 95,639 |
| Total capital assets | <u>111,733</u> |
| Total assets | <u>\$ 467,158</u> |
| LIABILITIES AND NET POSITION | |
| CURRENT LIABILITIES | |
| Accrued salaries and payroll deductions | \$ 47,743 |
| NON-CURRENT LIABILITIES | |
| Portion due within one year | |
| Notes payable | 16,370 |
| Portion due after one year | |
| Notes payable | <u>142,418</u> |
| Total non-current liabilities | <u>158,788</u> |
| Total liabilities | 206,531 |
| NET POSITION | |
| Investment in capital assets, net of related debt | 111,733 |
| Unrestricted | 148,894 |
| Total net position | <u>260,627</u> |
| Total liabilities and net position | <u>\$ 467,158</u> |

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

ACADEMY FOR POSITIVE LEARNING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|---|---------------------|----------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities | | | | | |
| Basic instruction | \$ 374,865 | \$ - | \$ 75,490 | \$ - | \$ (299,375) |
| Pupil personnel services | 53,023 | - | - | - | (53,023) |
| Instructional media services | 1,775 | - | - | - | (1,775) |
| Instructional staff training | 1,547 | - | - | - | (1,547) |
| Board | 14,428 | - | - | - | (14,428) |
| General administration | 43,374 | - | - | - | (43,374) |
| School administration | 224,722 | - | - | - | (224,722) |
| Facilities acquisition and construction | 198,635 | - | - | 57,856 | (140,779) |
| Fiscal services | 11,016 | - | - | - | (11,016) |
| Food services | 16,019 | - | - | - | (16,019) |
| Pupil transportation services | - | - | - | - | - |
| Operation of plant | 76,139 | - | - | - | (76,139) |
| Maintenance of plant | 34,711 | - | - | - | (34,711) |
| Community activities | 12,279 | - | - | - | (12,279) |
| Debt service interest | 3,730 | - | - | - | (3,730) |
| Total governmental activities | <u>\$ 1,066,263</u> | <u>\$ -</u> | <u>\$ 75,490</u> | <u>\$ 57,856</u> | <u>(932,917)</u> |

General Revenues

| | |
|---|-------------------|
| Grants and contributions not restricted to specific programs | - |
| State revenues | 918,547 |
| Investment earnings | 27 |
| Miscellaneous | 134,778 |
| Total General Revenues | <u>1,053,352</u> |
| Change in net position | 120,435 |
| Net position, July 1, 2020 | 140,192 |
| Net position, June 30, 2021 | <u>\$ 260,627</u> |

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

ACADEMY FOR POSITIVE LEARNING, INC.
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total |
|---|-------------------|----------------------------|-----------------------------|-------------------|
| ASSETS | | | | |
| Cash | \$ 322,956 | \$ - | \$ - | \$ 322,956 |
| Accounts receivable | 2,469 | - | - | 2,469 |
| Deposits | 30,000 | - | - | 30,000 |
| Total Assets | <u>\$ 355,425</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 355,425</u> |
| CURRENT LIABILITIES | | | | |
| Accrued salaries and payroll deductions | \$ 47,743 | \$ - | \$ - | \$ 47,743 |
| Total liabilities | 47,743 | - | - | 47,743 |
| FUND BALANCES | | | | |
| Nonspendable | 30,000 | - | - | 30,000 |
| Restricted | - | - | - | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | 277,682 | - | - | 277,682 |
| Total Fund Balances | <u>307,682</u> | <u>-</u> | <u>-</u> | <u>307,682</u> |
| Total Liabilities and Fund Balances | <u>\$ 355,425</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 355,425</u> |

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

ACADEMY FOR POSITIVE LEARNING, INC.
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

| | |
|-----------------------------------|------------|
| Fund Balance - Governmental Funds | \$ 307,682 |
|-----------------------------------|------------|

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

| | | |
|-------------------------------|-----------------|---------|
| Governmental capital assets | \$ 138,263 | |
| Less accumulated depreciation | <u>(26,530)</u> | |
| | | 111,733 |

Debt proceeds are reported as financing sources in the general fund and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases current liabilities and does not affect the Statement of Activities.

| | |
|--|------------------|
| | <u>(158,788)</u> |
|--|------------------|

| | |
|---|--------------------------|
| Net Position of Governmental Activities | \$ <u><u>260,627</u></u> |
|---|--------------------------|

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

ACADEMY FOR POSITIVE LEARNING, INC.
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

| | General Fund | Special Revenue Fund | Capital Projects Fund | Total |
|--|-----------------|----------------------------|-----------------------------|------------|
| REVENUES | | | | |
| Federal passed through local school district | \$ - | \$ 75,490 | \$ - | \$ 75,490 |
| State passed through local school district | 918,547 | - | 57,856 | 976,403 |
| Other revenue | 17,378 | - | - | 17,378 |
| Investment earnings | 27 | - | - | 27 |
| TOTAL REVENUES | 935,952 | 75,490 | 57,856 | 1,069,298 |
| EXPENDITURES/EXPENSES | | | | |
| Basic instruction | 296,739 | 75,490 | - | 372,229 |
| Pupil personnel services | 53,023 | - | - | 53,023 |
| Instructional media services | 1,775 | - | - | 1,775 |
| Instructional staff training | 1,547 | - | - | 1,547 |
| Board | 14,428 | - | - | 14,428 |
| General administration | 43,374 | - | - | 43,374 |
| School administration | 224,181 | - | - | 224,181 |
| Facilities acquisition and construction | 179,042 | - | 57,856 | 236,898 |
| Fiscal services | 11,016 | - | - | 11,016 |
| Food services | 16,019 | - | - | 16,019 |
| Pupil transportation services | - | - | - | - |
| Operation of plant | 76,139 | - | - | 76,139 |
| Maintenance of plant | 34,711 | - | - | 34,711 |
| Community activities | 12,279 | - | - | 12,279 |
| Total expenses | 964,273 | 75,490 | 57,856 | 1,097,619 |
| Excess (deficiency) of revenues over (under) expenses | (28,321) | - | - | (28,321) |
| Other financing sources | | | | |
| Commercial loan | - | - | - | - |
| Loan - paycheck protection program | 114,197 | - | - | 114,197 |
| Total other financing sources | 114,197 | - | - | 114,197 |
| Debt service: | | | | |
| Retirement of principal | 16,371 | - | - | 16,371 |
| Interest | 3,730 | - | - | 3,730 |
| Total debt service | 20,101 | - | - | 20,101 |
| Net change in fund balance | 65,775 | - | - | 65,775 |
| Fund balances, July 1, 2020 | 241,907 | - | - | 241,907 |
| Fund balances, June 30, 2021 | \$ 307,682 | \$ - | \$ - | \$ 307,682 |

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

ACADEMY FOR POSITIVE LEARNING, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2021

| | | |
|--|----|--------|
| Net Change in fund balances - governmental funds | \$ | 65,775 |
|--|----|--------|

Amounts reported for governmental activities in the statement of net assets are different because:

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

| | | | |
|--|----|----------------|--------|
| Expenditures and loss on disposal for capital assets | \$ | 44,049 | |
| Less current year depreciation | | <u>(8,962)</u> | 35,087 |

| | | |
|----------------------|--|---------|
| PPP loan forgiveness | | 117,400 |
|----------------------|--|---------|

Debt proceeds are reported as financing sources in the general fund and thus contribute to the change in fund balance. In the Statement of Net Position, however, issuing debt increases current liabilities and does not affect the Statement of Activities.

| | | | |
|-----------------------------|--|---------------|-----------------|
| Proceeds from debt issuance | | (114,197) | |
| Loan repayments | | <u>16,370</u> | <u>(97,827)</u> |

| | | |
|---|----|-----------------------|
| Change in Net Position of Governmental Activities | \$ | <u><u>120,435</u></u> |
|---|----|-----------------------|

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

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

Academy for Positive Learning, Inc. (the “Academy”) operates as a Charter School pursuant to a Charter School Contract (“the Contract”) with the Palm Beach County District School Board, Florida (“the District”). Under the Contract, the Academy provides an elementary and middle school education to children who reside in Palm Beach County. The governing body of the Academy is the Board of Directors, which is composed of four members.

The Academy is a non-profit organization and is tax exempt under Section 501(c)(3) of the Internal Revenue Code.

The general operating authority of the Academy is contained in Section 1002.33, Florida Statutes. The current charter shall be for a term of 15 school years commencing with the 2009 - 2010 school year. The charter may be renewed as provided in Section 1002.33, Florida Statutes, upon mutual consent of the parties and execution of a written renewal. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the Academy in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown.

Criteria for determining if other entities are potential component units which should be reported within the Academy’s basic financial statements are identified and described in the Governmental Accounting Standards Board’s (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the Academy is financially accountable and other organizations for which the nature and significance of their relationship with the Academy are such that exclusion would cause the Academy’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Academy.

As a result of implementing GASB 61, *The Financial Reporting Entity: Omnibus*, which is effective for fiscal years beginning after June 15, 2012, the District and its auditors are of the opinion that the Academy is no longer to be treated as a component unit for financial reporting purposes. There is no change in the relationship with the District or the District’s oversight or monitoring responsibilities.

Recent Accounting Pronouncements

The Academy has adopted guidance issued by the GASB that established fund balance classifications that comprise a hierarchy based primarily on the extent to which an entity is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This guidance improves the usefulness of fund balance information by clarifying the definitions of existing governmental fund types and providing additional classifications of fund balance.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and Fund Financial Statements

The government-wide financial statements consist of a statement of net assets and a statement of activities. These statements report information on all of the nonfiduciary activities of the Academy. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the Academy does not engage in any business type activities. Net assets, the difference between assets and liabilities, as presented in the statement of net assets, are subdivided into three categories: amounts invested in capital assets, restricted net assets; and unrestricted net assets. Net assets are reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations of other governments, or enabling legislation.

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues, and displays the extent to which each function contributes to the change in net assets for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function. Indirect expenses are costs the Academy has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

- Nonspendable fund balance - includes amounts that are not in a spendable form or are required to be maintained intact and that are not expected to be converted to cash.
- Restricted fund balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- Committed fund balance - includes amounts that can be used only for the specific purposes determined by a formal action of the Academy's highest level of decision-making authority. Commitments may be changed or lifted only by the Academy taking the same formal action that imposed the constraint originally.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and Fund Financial Statements (continued)

- Assigned fund balance - comprises amounts intended to be used by the Academy for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- Unassigned fund balance - the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

Separate fund financial statements report detailed information about the Academy's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. All the Academy's funds were deemed major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government - wide presentation.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

The Academy's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Academy reports the following major governmental funds:

General Fund — the general operating fund of the Academy. It is used to account for all financial resources not required to be accounted for in another fund.

Special Revenue Fund – to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - to account for the proceeds Capital Outlay and other revenues that are legally restricted to expenditures for capital projects.

The Academy has a revenue spending policy that provides policy for programs with multiple revenue sources. The board of directors will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-city funds, city funds and funds passed through the District. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The board of directors has the authority to deviate from this policy if it is in the best interest of the Academy.

4. Budgetary Basis of Accounting

The Academy's annual budgets are adopted for the entire operations for the Academy and may be amended by the Board of Directors (the "Board"). Since the budgetary basis differs from generally accepted accounting principles ("GAAP"), budget and actual amounts in the accompanying required supplementary information are presented on the budgetary basis. A reconciliation to deficiency of revenues under expenditures presented in conformity with GAAP is set forth in the adjustments to the required supplementary information.

5. Cash

Cash is made up of cash on hand at the Academy and/or checking and money market accounts held at two financial institutions. The Academy has no cash equivalents.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns on the government-wide financial statements. Capital assets are defined by the Academy as assets with an initial individual cost of more than \$750 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation. For the year ended June 30, 2021, the Academy recorded net capital assets of \$111,733.

Property, plant and equipment of the Academy is depreciated using the straight-line method over the following estimated useful lives:

| <u>Asset Type</u> | <u>Estimated Useful Lives</u> |
|-----------------------------------|-----------------------------------|
| Furniture, fixtures and equipment | 10 |
| Leasehold improvements | 10 |
| Software | 3 |

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

7. Revenue Sources

Revenues for current operations are received primarily from the State of Florida passed through the District to the Academy pursuant to the funding provisions included in the Academy's charter. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the Academy reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDE) for funding through the Florida Education Finance Program (FEFP). Funding for the Academy is adjusted during the year to reflect revised calculations by the FDE under the FEFP and actual weighted FTE students reported by the Academy during designated FTE student survey periods.

The Academy receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

9. Income Taxes

The Academy is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes is recorded in the accompanying financial statements.

The Academy is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Academy's federal income tax returns for 2019-2021 remain subject to examination by major tax jurisdictions.

NOTE B – CONCENTRATIONS

1. Revenue Sources

As stated in Note A-7, the Academy receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources and amounts:

| <u>Sources</u> | <u>Amounts</u> |
|---------------------------------------|--------------------|
| Federal grants through local district | \$ 75,490 |
| State funding through local district | 976,403 |
| Aftercare and other revenue | <u>17,405</u> |
| | <u>\$1,069,298</u> |

2. Cash

Under Chapter 280, Florida Statutes, the Academy's deposits must be placed in banks and savings and loans which are qualified as public depositories. The Academy maintains cash deposits at two banks in Florida. Deposits at the bank are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer and collateral pool. As of June 30, 2021, uninsured bank deposit balances were \$70,048.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE C – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 was as follows:

| | Balance at June 30, 2020 | Additions | Adjustments and Deletions | Balance at June 30, 2021 |
|-----------------------------------|--------------------------------|------------------|---------------------------------|--------------------------------|
| Capital assets depreciated: | | | | |
| Furniture, fixtures and equipment | \$ 36,357 | \$ - 0 - | \$ - 0 - | \$ 36,357 |
| Leasehold improvements | 57,858 | 44,048 | - 0 - | 101,906 |
| Total assets depreciated | <u>\$ 94,215</u> | <u>\$ 44,048</u> | <u>\$ - 0 -</u> | <u>\$ 138,263</u> |
| Less Accumulated depreciation | | | | |
| Furniture, fixtures and equipment | \$ 17,086 | \$ 3,177 | \$ - 0 - | \$ 20,263 |
| Leasehold improvements | 482 | 5,785 | - 0 - | 6,267 |
| Total assets depreciated | <u>\$ 17,568</u> | <u>\$ 8,962</u> | <u>\$ - 0 -</u> | <u>\$ 26,530</u> |
| Total governmental activities | | | | |
| Capital assets, net | | | | <u>\$ 111,733</u> |

Depreciation expense of \$8,962 was charged to the basic instruction (\$2,635), administration (\$541), operation of plant (\$- 0 -) and facilities and acquisition (\$5,786) functions for the year ended June 30, 2021.

NOTE D – COMMITMENTS AND CONTINGENCIES

The Academy leased property during the year for its administrative and classroom space under a non-cancelable operating lease. The Academy also has a lease for a copier. The Academy changed locations and has a new 36-month lease which includes a renewal option commencing June 1st, 2023 through May 31st, 2026. The current lease allows for monthly lease payments of \$15,000. Rental expenses for the year ended June 30, 2021 were approximately \$177,194.

Future minimum lease payments required under the lease are approximately as follows:

| | |
|----------|----------------|
| June 30: | |
| 2022 | <u>165,000</u> |
| Total | \$ 165,000 |

NOTE E – NOTES PAYABLE

On November 8, 2019, the Academy entered into an installment loan in the amount of \$70,000 with a local bank (PNC Bank). The note has a fixed rate of interest of 6.8% with repayment terms of principle plus interest amounting to \$1,675.21 over a 48 month period. The Academy has pledged all the cash on deposit with the lender bank.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE E – NOTES PAYABLE (continued)

PNC Bank loan amounted to \$44,591 as of June 30, 2021.

On February 13, 2021, the Academy received its second Paycheck Protection Program (PPP) loan in the amount of \$114,197. The loan is guaranteed by the Small Business Administration (SBA). The Academy expects the loan to be 100% forgiven and that it will not have to pay any interest on the loan based on submitting a loan forgiveness application demonstrating that it incurred eligible expenses during the “loan forgiveness covered period,” as defined by the SBA. The Academy has an option to elect an eight or 24-week period for the loan forgiveness covered period beginning on the date the loan was disbursed. The Academy must submit to its lender a loan forgiveness application within 10 months after the end of its loan forgiveness covered period. By doing so, the Academy will not have to make any payments of principal or interest on the loan before the date on which the SBA remits the loan forgiveness amount on the loan to the lender (or notifies the lender that no loan forgiveness is allowed) and the date the Academy is notified by the lender that the first payment is due. Interest continues to accrue during the deferment period. If the Academy does not submit to its lender a loan forgiveness application within 10 months after the end of its loan forgiveness covered period, it must begin paying principal and interest after the 10-month period subsequent to the loan forgiveness covered period. Interest on the loan is at 1% and the loan is due in full in February 2026.

The first PPP loan received in May 2020 for 117,400 was forgiven in full on June 1, 2021 and is reflected in the statement of activities as revenue under general revenues.

The balance of both loans at June 30, 2021 amounted to \$158,788.

Following is maturity of long-term debt for the next three years:

| | |
|----------|--------------|
| June 30, | |
| 2022 | 16,370 |
| 2023 | 133,008 |
| 2024 | <u>9,410</u> |
| Total | \$ 158,788 |

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE F – RISK MANAGEMENT

The Academy is exposed to various risks of loss related to theft, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Academy purchases commercial insurance for all material risks of loss to which the Academy is exposed, including general liability, property and workers compensation.

The Academy did not have any settlements that exceeded insurance coverage for the years ended June 30, 2019 – 2021.

NOTE G – COVID-19

As a result of the COVID-19 pandemic, the Academy began the 2020-2021 school year using distance learning. The Academy's enrollment has not been impacted as a result of COVID-19, however, there may be additional expenditures associated with the Academy's distance learning platform that may be incurred for the 2020-2021 school year. Management of the Academy is unable to determine the duration and extent of the financial impact that COVID-19 will have on the school.

NOTE H – DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through September 28, 2021, which is the date the financial statements became available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

ACADEMY FOR POSITIVE LEARNING, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

| | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|--------------------|------------------|-------------------|--|
| Revenues | | | | |
| Federal passed through local school district | \$ - | \$ - | \$ - | \$ - |
| State passed through local school district | 824,251 | 1,040,129 | 918,547 | (121,582) |
| Other revenue | 59,000 | 57,050 | 17,405 | (39,645) |
| Total revenues | 883,251 | 1,097,179 | 935,952 | (161,227) |
| Expenses | | | | |
| Basic instruction | 302,727 | 313,212 | 296,739 | (16,473) |
| Pupil personnel services | 40,700 | 25,200 | 53,023 | 27,823 |
| Instructional media services | - | - | 1,775 | 1,775 |
| Instructional staff training | 3,000 | 4,700 | 1,547 | (3,153) |
| Board | 29,300 | 31,050 | 14,428 | (16,622) |
| General administration | 40,650 | 47,312 | 43,374 | (3,938) |
| School administration | 209,716 | 214,406 | 224,181 | 9,775 |
| Facilities acquisition and construction | 63,542 | 195,000 | 179,042 | (15,958) |
| Fiscal services | 9,820 | 10,420 | 11,016 | 596 |
| Food services | - | - | 16,019 | 16,019 |
| Pupil transportation services | 1,500 | 24,230 | - | (24,230) |
| Operation of plant | 124,105 | 143,743 | 76,139 | (67,604) |
| Maintenance of plant | 10,000 | 9,500 | 34,711 | 25,211 |
| Community activities | 29,358 | 45,360 | 12,279 | (33,081) |
| Total expenses | 864,418 | 1,064,133 | 964,273 | (99,860) |
| Revenues over expenditures | 18,833 | 33,046 | (28,321) | (61,367) |
| Other financing sources | | | | |
| Commercial loan | - | - | - | - |
| Loan - paycheck protection program | - | - | 114,197 | 114,197 |
| Total other financing sources | - | - | 114,197 | 114,197 |
| Debt service: | | | | |
| Retirement of principal | - | 16,370 | 16,371 | 1 |
| Interest | - | 3,730 | 3,730 | - |
| Total debt service | - | 20,100 | 20,101 | 1 |
| Net change in fund balance | 18,833 | 12,946 | 65,775 | 52,829 |
| Fund Balance, July 1, 2020 | 219,060 | (486) | 241,907 | 22,847 |
| Fund Balance, June 30, 2021 | \$ 237,893 | \$ 12,460 | \$ 307,682 | \$ 75,676 |

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

ACADEMY FOR POSITIVE LEARNING, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

| | Original Budget | Final Budget | Actual | Variance with Final Budget - Positive (Negative) |
|--|--------------------|-----------------|---------------|--|
| Revenues | | | | |
| Federal passed through local school district | \$ 51,612 | \$ 58,687 | \$ 75,490 | \$ 16,803 |
| State passed through local school district | - | - | - | - |
| Other revenue | - | - | - | - |
| | <u>51,612</u> | <u>58,687</u> | <u>75,490</u> | <u>16,803</u> |
| Total revenues | 51,612 | 58,687 | 75,490 | 16,803 |
| Expenses | | | | |
| Basic instruction | 51,612 | 58,687 | 75,490 | 16,803 |
| Pupil personnel services | - | - | - | - |
| Instructional media services | - | - | - | - |
| Instructional staff training | - | - | - | - |
| Board | - | - | - | - |
| General administration | - | - | - | - |
| School administration | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - |
| Fiscal services | - | - | - | - |
| Food services | - | - | - | - |
| Pupil transportation services | - | - | - | - |
| Operation of plant | - | - | - | - |
| Maintenance of plant | - | - | - | - |
| Community activities | - | - | - | - |
| | <u>51,612</u> | <u>58,687</u> | <u>75,490</u> | <u>16,803</u> |
| Total expenses | 51,612 | 58,687 | 75,490 | 16,803 |
| Revenues over expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Debt service: | | | | |
| Retirement of principal | - | - | - | - |
| Interest | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | - | - | - | - |
| Fund Balance, July 1, 2020 | <u>(1)</u> | <u>(1)</u> | <u>-</u> | <u>1</u> |
| Fund Balance, June 30, 2021 | <u>\$ (1)</u> | <u>\$ (1)</u> | <u>\$ -</u> | <u>\$ 1</u> |

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



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board Members of
Academy for Positive Learning, Inc.
West Palm Beach, 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 accompanying financial statements of the governmental activities and major fund of the Academy for Positive Learning, Inc., (the "Academy", a nonprofit organization), a charter school, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Academy for Positive Learning, Inc.'s basic financial statements and have issued our report thereon dated September 28, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in blue ink that reads "Infante & Company". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

September 28, 2021
Hollywood, Florida



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Management Letter as Required by the Rules of the Florida Auditor General, Chapter 10.850, Florida Statutes, *Charter School Audits*

To the Board of Directors of
Academy For Positive Learning, Inc., Florida,
West Palm Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the Academy For Positive Learning, Inc., Florida, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 28, 2021.

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 Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 28, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Academy for Positive Learning, Inc. and 0664.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Academy For Positive Learning, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Academy For Positive Learning, 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 Academy For Positive Learning, Inc. It is management's responsibility to monitor the Academy For Positive Learning, 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 Academy For Positive Learning, 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 Academy For Positive Learning, 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 have any such findings.

Purpose of this Letter

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



Infante & Company
September 28, 2021