

# Caring and Sharing Learning School

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

Financial Statements  
And  
Independent Auditors' Reports

**June 30, 2021**

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

*Certified Public Accountants Serving the Nonprofit Community*

**808-B NW 16<sup>th</sup> Avenue  
Gainesville, Florida 32601  
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# Financial Statements and Independent Auditors' Reports

June 30, 2021

## Caring and Sharing Learning School

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

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# Kattell and Company, P.L.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Caring and Sharing Learning School

September 22, 2021

### Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Caring and Sharing Learning School (the School), a component unit of the Alachua County District School Board, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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

**Auditors' Responsibility.** Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards required 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 School as of June 30, 2021, and the respective changes in financial position 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 management's discussion and analysis, budgetary comparison schedules, and certain pension related information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2021, on our consideration of the School's internal control over financial reporting (internal control) and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance.

*Kattell and Company, P.L.*

# **Management's Discussion and Analysis**

**June 30, 2021**

## **Caring and Sharing Learning School**

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

This discussion and analysis of the School's financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the School's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2021:

- The School's overall net position decreased by \$209,735, from a deficit of \$57,701 to a deficit of \$267,436.
- Total ending unrestricted net position was approximately \$(847,000).
- The School had total expenses for the year of about \$2,417,000, compared to revenues of approximately \$2,207,000.
- The School serves grade levels VPK - 6 with 195 students in 2021 and 188 students in 2020.

### **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This annual report contains government-wide financial statements that report on the School's activities as a whole and fund financial statements that report on the School's individual funds.

#### **Government-wide Financial Statements**

The first financial statement is the Statement of Net Position. This statement includes all of the School's assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. Net Position – the difference between assets and deferred outflows and liabilities and deferred inflows – can be used to measure the School's financial position.

The second financial statement is the Statement of Activities. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in Net Position during the fiscal year. Over time, the increases or decreases in Net Position are useful indicators of whether the School's financial health is improving or deteriorating. However, other non-financial factors, such as enrollment levels or changes in state funding, must also be considered when assessing the overall health of the School.

In these statements, all of the School's activities are considered to be governmental activities. The School has no business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services.

#### **Fund Financial Statements**

Following the government-wide financial statements are the fund financial statements. They provide more detailed information about the School's funds.

The School maintains three individual governmental funds, the General Fund, Special Revenue Fund and Capital Projects Fund. The General Fund, Special Revenue Fund and Capital Projects Fund are considered to be major funds and, accordingly, they are separately displayed.

Governmental funds are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can readily be converted to cash. This provides a shorter-term view of the fund's financial position. A reconciliation is provided with these statements, which helps to explain the differences between the fund financial statements and the government-wide financial statements.

# Management's Discussion and Analysis

June 30, 2021

## Caring and Sharing Learning School

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

### CONDENSED FINANCIAL INFORMATION

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

	2021	2020
<b>Net Position</b>		
Assets:		
Non-capital Assets	\$ 141,653	\$ 398,044
Capital Assets, Net	523,982	569,613
Total Assets	665,635	967,657
Deferred Outflows	668,390	494,330
Liabilities:		
Current Liabilities	72,280	74,527
Long-term Liabilities	68,800	304,176
Net Pension Liability	1,426,046	1,057,522
Total Liabilities	1,567,126	1,436,225
Deferred Inflows	34,335	83,463
Net Position:		
Net Investment in Capital Assets	523,982	569,613
Restricted for Capital Projects	55,203	47,832
Unrestricted (deficit)	(846,621)	(675,146)
Total Net Position	\$ (267,436)	\$ (57,701)

<b>Change in Net Position</b>		
Program Revenues:		
Charges for Services	\$ 94,755	\$ 215,411
Operating Grants & Contributions	82,489	57,061
Capital Grants & Contributions	126,988	118,808
General Revenues:		
Paycheck Protection Program	259,450	--
ESSER Grant	59,185	--
GEER Grant	14,240	--
Title I Grant	227,578	213,036
Title II Grant	5,697	538
Title IV Grant	--	759
Florida Education Finance Program	1,313,949	1,240,338
Other State Revenues	17,821	41,262
Unrestricted Grants & Contributions	5,190	9,597
Total Revenues	2,207,342	1,896,810
Program Expenses:		
Instruction	1,577,660	1,526,006
Instructional Support Services	112,641	15,519
General Support	529,849	394,977
Community Service	6,228	2,462
Operation of Plant	190,699	153,469
Total Expenses	2,417,077	2,092,433
Change in Net Position	(209,735)	(195,623)
Beginning Net Position	(57,701)	137,922
Ending Net Position	\$ (267,436)	\$ (57,701)

# **Management's Discussion and Analysis**

**June 30, 2021**

## **Caring and Sharing Learning School**

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

### **OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS**

**Governmental Activities.** The governmental activities generated \$304,232 in program revenues and \$1,903,110 of general revenues, and incurred \$2,417,077 of program expenses. This resulted in a \$209,735 decrease in net position.

At June 30, 2021, the School's unrestricted net position was a deficit of \$846,621, and the School's total net position was a deficit of \$267,436.

### **THE SCHOOL'S INDIVIDUAL FUNDS**

**General Fund.** The fund balance of the General Fund decreased by \$2,065 from \$275,685 to \$273,620.

**Special Revenue Fund.** The fund balance of the Special Revenue Fund remained at \$0, which means that all grant funds were spent during the year. This is expected due to the nature of the Title I grant funds.

**Capital Projects Fund.** The fund balance of the Capital Projects Fund increased to \$55,203 from \$47,832, which means that not all capital outlay grant funds were expended on eligible costs during the year.

### **BUDGETARY HIGHLIGHTS**

**General Fund.** The School amended its original budget to reflect increased enrollment and the revenues and expenses associated with teaching more students. The budget was also amended to include proceeds from the Paycheck Protection Program, the Elementary and Secondary School Emergency Relief (ESSER) Fund, and the Governor's Emergency Education Relief (GEER) Fund – all a result of the COVID-19 pandemic. There were no differences between the final budget and actual amounts.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The School had no significant capital asset activity. Please refer to the note to the accompanying financial statements entitled *Capital Assets and Depreciation* for more detailed information about the School's capital asset activity.

**Debt Administration.** The School issued no new long-term debt and the Paycheck Protection Program loan was forgiven during the year. Please refer to the paragraph entitled *Long-Term Liabilities* in the notes to the accompanying financial statements for more detailed information about the School's long-term debt policy.

### **ECONOMIC FACTORS**

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

### **CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Curtis Peterson, Principal, 1951 SE 4<sup>th</sup> Street, Gainesville, Florida 32641.

**Statement of Net Position**  
**June 30, 2021**  
**Caring and Sharing Learning School**  
*A Component Unit of the Alachua County District School Board*

	Governmental Activities
<b>Assets:</b>	
Cash	\$ 66,432
Receivables	71,421
Prepaid Expenses	3,800
Capital Assets:	
Non-depreciable Capital Assets	27,700
Depreciable Capital Assets, Net	496,282
<b>Total Assets</b>	<b>665,635</b>
<b>Deferred Outflows</b>	<b>668,390</b>
<b>Liabilities:</b>	
Accounts Payable	72,280
Long-Term Debt:	
Due in Less than One Year	5,400
Due In More Than One Year	63,400
Net Pension Liability	1,426,046
<b>Total Liabilities</b>	<b>1,567,126</b>
<b>Deferred Inflows</b>	<b>34,335</b>
<b>Net Position:</b>	
Net Investment in Capital Assets	523,982
Restricted for Capital Projects	55,203
Unrestricted (deficit)	(846,621)
<b>Total Net Position</b>	<b>\$ (267,436)</b>

See accompanying notes.

**Statement of Activities**  
**For the Year Ended June 30, 2021**  
**Caring and Sharing Learning School**  
*A Component Unit of the Alachua County District School Board*

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Functions/Programs:</b>					
Governmental Activities:					
Instruction	\$ (1,577,660)	\$ 94,755	\$ 82,489	\$ --	\$ (1,400,416)
Instructional Support Services	(112,641)	--	--	--	(112,641)
General Support	(529,849)	--	--	65,060	(464,789)
Community Services	(6,228)	--	--	--	(6,228)
Operation of Plant	(190,699)	--	--	61,928	(128,771)
<b>Total</b>	<b><u>\$ (2,417,077)</u></b>	<b><u>\$ 94,755</u></b>	<b><u>\$ 82,489</u></b>	<b><u>\$ 126,988</u></b>	<b><u>(2,112,845)</u></b>
<b>General Revenues:</b>					
Federal:					
Paycheck Protection Program Funds					259,450
Federal through State:					
Title I Grant					227,578
Title II Grant					5,697
ESSER Funds					59,185
GEER Funds					14,240
State Revenue:					
Florida Education Finance Program					1,313,949
Other State Revenues					17,821
Unrestricted Grants and Contributions					<u>5,190</u>
<b>Total General Revenues</b>					<b><u>1,903,110</u></b>
<b>Change in Net Position</b>					<b><u>(209,735)</u></b>
<b>Net Position – Beginning of Year</b>					<b><u>(57,701)</u></b>
<b>Net Position – End of Year</b>					<b><u>\$ (267,436)</u></b>

See accompanying notes.



**Balance Sheet – Governmental Funds**  
**June 30, 2021**  
**Caring and Sharing Learning School**  
*A Component Unit of the Alachua County District School Board*

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash	\$ 11,229	\$ --	\$ 55,203	\$ 66,432
Receivable	71,421	--	--	71,421
Prepaid Expenses	<u>3,800</u>	<u>--</u>	<u>--</u>	<u>3,800</u>
<b>Total Assets</b>	<b><u>\$ 86,450</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 55,203</u></b>	<b><u>\$ 141,653</u></b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts Payable	<u>\$ 72,280</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 72,280</u>
Total Liabilities	72,280	--	--	72,280
Fund Balances:				
Non-Spendable – Prepaid Expenses	3,800	--	--	3,800
Unassigned	<u>10,370</u>	<u>--</u>	<u>55,203</u>	<u>65,573</u>
Total Fund Balances	<u>14,170</u>	<u>--</u>	<u>55,203</u>	<u>69,373</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 86,450</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 55,203</u></b>	<b><u>\$ 141,653</u></b>

See accompanying notes.

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

**June 30, 2021**

## **Caring and Sharing Learning School**

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

<b>Fund Balances – Total Governmental Funds</b>	<b>\$ 69,373</b>
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Amounts reported for Governmental activities in the statement of net position are different because:

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

Capital Assets – Net of Accumulated Depreciation	523,982
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Long-term liabilities are not due and payable in the current period and so are not reported as fund liabilities, but are included in the statement of net position.

Long-Term Liabilities	(68,800)
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Accounting for the School's participation in the Florida Retirement System – the following amounts are reported in the Government-wide Statements (see Note 5):

Deferred Outflows	668,390
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Deferred Inflows	(34,335)
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Net Pension Liability	<u>(1,426,046)</u>
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<b>Net Position of Governmental Activities</b>	<b><u>\$ (267,436)</u></b>
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See accompanying notes.

# Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds

For the Year Ended June 30, 2021

## Caring and Sharing Learning School

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>				
Federal through State:				
Title I Grant	\$ --	\$ 227,578	\$ --	\$ 227,578
Title II Grant	--	5,697	--	5,697
ESSER Grant	59,185	--	--	59,185
GEER Grant	14,240	--	--	14,240
State Revenue:				
Florida Education Finance Program	1,313,949	--	--	1,313,949
Public Education Capital Outlay	--	--	126,988	126,988
Other State Revenues	59,614	--	--	59,614
Local Revenue:				
Gifts, Grants and Bequests	45,866	--	--	45,866
Afterschool Revenue	74,792	--	--	74,792
Summer Camp Revenue	19,963	--	--	19,963
Other Local Revenues	20	--	--	20
<b>Total Revenues</b>	<b>1,587,629</b>	<b>233,275</b>	<b>126,988</b>	<b>1,947,892</b>
<b>Expenditures and Changes in Fund Balances</b>				
<b>Expenditures:</b>				
Current:				
Instruction	1,206,609	227,013	--	1,433,622
Instructional Support Services	98,783	6,262	--	105,045
General Support Services	394,972	--	--	394,972
Community Services	6,228	--	--	6,228
Operation of Plant	142,552	--	--	142,552
Capital Outlay	--	--	119,617	119,617
<b>Total Expenditures</b>	<b>1,849,144</b>	<b>233,275</b>	<b>119,617</b>	<b>2,202,036</b>
<b>Excess of Revenues over/(under)</b>				
<b>Expenditures</b>	<b>(261,515)</b>	<b>--</b>	<b>7,371</b>	<b>(254,144)</b>
<b>Fund Balances, July 1, 2020</b>	<b>275,685</b>	<b>--</b>	<b>47,832</b>	<b>323,517</b>
<b>Fund Balances, June 30, 2021</b>	<b>\$ 14,170</b>	<b>\$ --</b>	<b>\$ 55,203</b>	<b>\$ 69,373</b>

See accompanying notes.

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balance to the Statement of Activities - Governmental Funds**

**For the Year Ended June 30, 2021**

**Caring and Sharing Learning School**

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

**Net Change in Fund Balance – Total Governmental Funds** **\$ (254,144)**

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

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

Current Year Expenditures for Capital Assets	11,998
Current Year Depreciation Expense	(57,629)

The forgiveness of long-term debt does not provide current financial resources for governmental funds, but does increase the net position of governmental activities.

Forgiveness of Paycheck Protection Program loan.	259,450
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net change in Compensated Absences	(24,074)
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Accounting for the School's participation in the Florida Retirement System:

Adjustment of Required Contribution to Net Pension Expense	<u>(145,336)</u>
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**Change in Net Position of Governmental Activities** **\$ (209,735)**

See accompanying notes.

# **Notes to the Financial Statements**

**June 30, 2021**

## **Caring and Sharing Learning School**

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

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **Reporting Entity**

Caring and Sharing Learning School is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The not-for-profit corporation conducts business as Caring and Sharing Learning School (the School). The governing body of the School is the not-for-profit corporation's Board of Directors.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the Alachua County District School Board (the District). The current charter is effective until June 30, 2026, and may be renewed provided that a program review demonstrates that certain criteria addressed in Section 1002.33(7), Florida Statutes, have been successfully accomplished. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. Pursuant to Section 1002.33(8)(e), Florida Statutes, the charter school contract provides that in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds automatically revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

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

#### **Government-wide Financial Statements**

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. The School has no business-type activities.

Any internal inter-fund activity has been eliminated from the government-wide financial statements.

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

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services that are directly related to a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

# Notes to the Financial Statements

June 30, 2021

## Caring and Sharing Learning School

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

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### Fund Financial Statements

The financial transactions of the School are reported in individual funds in the fund financial statements. The governmental fund statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The following funds are used by the School:

#### **GOVERNMENTAL FUNDS**

General Fund – The General Fund is the general operating fund of the School. It is used to account for all financial resources, except those associated with grants that are restricted to specified uses.

Special Revenue Fund – The Special Revenue Fund is used to account for financial resources associated with grants that are restricted to operational uses.

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

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

#### Measurement Focus and Basis of Accounting

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

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

Most revenues are considered to be susceptible to accrual and have been measured in the current fiscal period. Certain other revenue items are considered to be measurable and available only when cash is received.

#### Cash and Cash Equivalents

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

#### Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid assets, if any, are reported as "non-spendable" in the funds financial statements to indicate that prepaids do not represent available expendable resources.

# Notes to the Financial Statements

June 30, 2021

## Caring and Sharing Learning School

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

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Capital Assets and Depreciation

Capital assets are defined by the School as assets with an initial, individual cost of \$2,500 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value on the date of donation.

Land improvements are not depreciated. Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15-30
Improvements Other Than Buildings	15
Furniture, Fixtures, Equipment and Vehicles	5

#### Compensated Absences

The School pays employees, other than the School's Principal, for 50% of unused sick and vacation time upon separation. A liability is accrued when incurred in the government-wide financial statements. However, a liability is reported in governmental funds only when payment is due.

#### Long-term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Long-term liabilities are not reported in the governmental funds because governmental funds use the current financial resources measurement focus.

#### Revenue Sources

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

The School also receives other financial assistance. This assistance is generally based on applications submitted to and approved by the granting agency.

#### Net Position

Net Position represents the difference between assets and deferred outflows and liabilities and deferred inflows and is reported in three categories as hereafter described. *Net investment in capital assets* represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net Position is reported as *restricted* when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. *Unrestricted* Net Position is Net Position that does not meet the definition of the classifications previously described.

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

# Notes to the Financial Statements

June 30, 2021

## Caring and Sharing Learning School

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

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

#### Fund Balance Classifications

Governmental funds report separate classifications of fund balance.

**Non-Spendable.** The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted.** The restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed.** Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School's Board of Directors. Committed amounts cannot be used for any other purpose unless the School removes those constraints by taking the same type of action.

**Assigned.** Assigned fund balance is defined as amounts that are constrained by the intent of the School's Board of Directors to be used for specific purposes, but are neither restricted nor committed. The School has given the authority to assign fund balance to the School's Principal. Assigned fund balance includes spendable fund balance amounts established by the Principal that are intended to be used for specific purposes that are neither considered restricted or committed. Assignment of fund balance may be (a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or (b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues. Assigned fund balance shall reflect management's intended use of resources as set forth each year by the Principal. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned.

**Unassigned.** Unassigned fund balance is the residual classification for the general fund.

It is the policy of the School to use restricted resources to the extent which they are available, then committed resources, followed by assigned resources. Once these are consumed the School will then use unassigned resources. The School does not have a formal policy requiring a minimum fund balance.

#### Use of Estimates

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

#### Pensions

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



# Notes to the Financial Statements

June 30, 2021

## Caring and Sharing Learning School

A Component Unit of the Alachua County District School Board

### NOTE 2 – CAPITAL ASSETS AND DEPRECIATION

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

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets not Being Depreciated:				
Land Improvements	\$ 27,700	\$ --	\$ --	\$ 27,700
Capital Assets Being Depreciated:				
Buildings	852,254	--	--	852,254
Improvements Other Than Buildings	46,532	5,588	--	52,120
Furniture and Equipment	91,284	6,410	--	97,694
Vehicles	53,646	--	--	53,646
Total Capital Assets	1,071,416	11,998	--	1,083,414
Accumulated Depreciation:				
Buildings	367,273	33,198	--	400,471
Improvements Other Than Buildings	46,532	310	--	46,842
Furniture and Equipment	53,115	13,392	--	66,507
Vehicles	34,883	10,729	--	45,612
Total Accumulated Depreciation	501,803	57,629	--	559,432
Net Capital Assets	\$ 569,613	\$ (45,631)	\$ --	\$ 523,982

Depreciation was charged to functions/programs as follows:

Instruction	\$ 9,298
General Support	48,331
Total Depreciation Expense	\$ 57,629

### NOTE 3 – RISK MANAGEMENT

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

### NOTE 4 – LONG-TERM LIABILITIES

Long-term debt activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Payments	Balance June 30, 2021	Due Within One Year
Paycheck Protection Program	\$ 259,450	\$ --	\$ 259,450	\$ --	\$ --
Revolving Line-of-Credit	--	10,000	10,000	--	--
Compensated Absences	44,726	40,500	16,426	68,800	5,400
	\$ 304,176	\$ 50,500	\$ 285,876	\$ 68,800	\$ 5,400

In April 2020, the School was awarded a Small Business Administration, Paycheck Protection Program loan, through the CARES Act. The full amount was forgiven in the year ending June 30, 2021.

The School holds a \$30,000 capital-related unsecured revolving line-of-credit payable to the bank with 12.25% interest. All advances were repaid during the year.

## Notes to the Financial Statements

June 30, 2021

### Caring and Sharing Learning School

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

#### **NOTE 5 – EMPLOYEE RETIREMENT PLAN**

The Florida Department of Management Services, Division of Retirement (Division), is part of the primary government of the state of Florida and is responsible for administering the Florida Retirement System Pension Plan and Other State-Administered Systems (System). The School participates in two defined benefit plans administered by the Division. The Division issues a publicly-available, audited annual comprehensive financial report (ACFR) on behalf of the System that includes financial statements, notes and required supplementary information for each of the pension plans. The System's ACFR and the actuarial valuation reports, which provide detailed information about the plans, are available at: [http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications). The System's ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at: Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, or call 850-488-5706 or toll free at 877-377-1737.

#### ***Plan Descriptions***

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established, is administered, and may be amended in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

Benefits under the FRS Pension Plan are computed based on age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned. The percentage value for each year of service credit earned (for Regular class members) ranges from 1.60% to 1.68%. Benefits received are increased by an annual cost-of-living adjustment each July, ranging from 0% to 3% depending on effective dates of enrollment and retirement.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established, administered, and subject to amendment in accordance with section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

# Notes to the Financial Statements

June 30, 2021

## Caring and Sharing Learning School

A Component Unit of the Alachua County District School Board

### NOTE 5 – EMPLOYEE RETIREMENT PLAN (continued)

#### Contributions

Contribution requirements of active employees and participating employers are established by and may be amended only through an act of the Florida Legislature. The FRS requires a contribution of 3% of covered pay from most employees. Those who are retirees of the FRS, but are reemployed, do not make contributions. The School is required to contribute at an actuarially determined rate for all of these employees. Contribution rates and amounts are listed in the table below. Amounts contributed were equal to the required contribution for those years.

	2020		2021	
	Regular	Retirees	Regular	Retirees
Contribution Rates – %				
Retirement– Employer	6.75	3.56	8.28	3.44
HIS – Employer	1.66	1.66	1.66	1.66
Administrative– Employer	.06	--	.06	--
Employee	3.00	--	3.00	--
Total	11.47	5.22	13.00	5.10
Contribution Amounts				
Employer	\$ 94,749	\$ 1,461	\$ 141,077	\$ 1,685
Employee	37,603	--	42,323	--
Totals	\$ 132,352	\$ 1,461	\$ 183,400	\$ 1,685

#### *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2021, the School reported a liability of \$1,426,046 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The following displays the School's proportionate shares for the two programs:

	Share at June 30, 2019	Share at June 30, 2020	Change
Florida Retirement System	0.002036777%	0.002263609%	0.000226832%
Health Insurance Subsidy	0.003182447%	0.003644307%	0.000461860%

For the year ended June 30, 2021, the School recognized pension expense of \$288,095. At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience.	\$ 55,750	\$ 343
Changes of assumptions.	225,453	25,873
Net difference between projected and actual earnings on pension plan investments.	58,770	--
Changes in proportion and differences between School contributions and proportionate share of contributions.	195,642	8,119
School contributions subsequent to the measurement date.	132,775	--
Total	\$ 668,390	\$ 34,335

## Notes to the Financial Statements

June 30, 2021

### Caring and Sharing Learning School

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

#### **NOTE 5 – EMPLOYEE RETIREMENT PLAN (continued)**

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

The School reported \$132,775 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the following years:

Year Ending June 30,	FRS	HIS	Total
2022	\$ 49,826	\$ 27,544	\$ 77,370
2023	92,944	24,300	117,244
2024	77,278	19,158	96,436
2025	38,183	20,455	58,638
2026	107,105	20,444	127,549
2027	(1,239)	19,407	18,168
2028	--	5,172	5,172
2029		703	703
Total	<u>\$ 364,097</u>	<u>\$ 137,183</u>	<u>\$ 501,280</u>

##### ***Actuarial Assumptions and Discount Rate***

The total pension liability for each cost-sharing defined benefit plan was determined by an actuarial valuation as of July 1, 2020, using the entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index.) Mortality assumptions for the FRS Pension Plan and the HIS Program were changed as noted below.

The following changes in actuarial assumptions occurred in 2020:

- FRS: The long-term expected rate of return was decreased from 6.90% to 6.80%.
- FRS: The assumed inflation rate was decreased from 2.60% to 2.40%.
- HIS: The municipal bond rate used to determine total pension liability was decreased from 3.50% to 2.21%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.
- HIS: The assumed inflation rate was decreased from 2.60% to 2.40%.

# Notes to the Financial Statements

June 30, 2021

## Caring and Sharing Learning School

A Component Unit of the Alachua County District School Board

### NOTE 5 – EMPLOYEE RETIREMENT PLAN (concluded)

*Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate.* The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact of the School's proportionate share of the collective net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2020.

Florida Retirement System			Health Insurance Subsidy		
1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
\$ 1,566,622	\$ 981,081	\$ 492,035	\$ 514,358	\$ 444,965	\$ 388,165

*Long-term expected rate of return.* The long-term expected rate of return assumption of 6.80% consists of two building block components: 1) a real (in excess of inflation) return of 4.30%, consistent with the capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2020 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.80% return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.80% reported investment return assumption differs from the 7.00% investment return assumption chosen by the 2020 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

The table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash	1%	2.2%	2.2%	1.2%
Fixed Income	19%	3%	2.9%	3.5%
Global Equity	54.2%	8%	6.7%	17.1%
Real Estate (Property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%

### *Pension plan fiduciary net position.*

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

### NOTE 6 – RELATED PARTY TRANSACTIONS

The School rents 3.9 acres of land from the parents of the principal. The School signed a one-year contract for the year beginning July 1, 2019, and terminating June 30, 2020. The terms of the contract called for payments of \$3,800 per month. Another one-year contract under the same terms was signed for the year beginning July 1, 2020, and terminating June 30, 2021. The School's payments for the years ended June 30, 2021 and 2020, were \$45,600.

The School pays three employees who are related to the School's Principal. The School paid these employees approximately \$201,000 in compensation during the year ended June 30, 2021. In addition, the School provided advances to the principal and his wife of \$5,000 which were outstanding at year end.

**Budgetary Comparison Schedule – General Fund**  
**For the Year Ended June 30, 2021**  
**Caring and Sharing Learning School**  
*A Component Unit of the Alachua County District School Board*

	BUDGETED AMOUNTS		Actual
	Original	Final	Amounts
Revenues			
Federal through State:			
ESSER Grant	\$ --	\$ 59,185	\$ 59,185
GEER Grant	--	14,240	14,240
State Revenue:			
Florida Education Finance Program	1,267,933	1,313,949	1,313,949
Other State Revenues	18,143	59,614	59,614
Local Revenue:			
Gifts, Grants and Bequests	20,000	45,866	45,866
Voluntary Prekindergarten Revenue	140,000	--	--
Afterschool Revenue	75,000	74,792	74,792
Summer Camp Revenue	--	19,963	19,963
Other Local Revenues	34,133	20	20
Total Revenues	1,555,209	1,587,629	1,587,629
Expenditures and Changes in Fund Balances			
Expenditures:			
Current:			
Instruction	1,021,066	1,206,609	1,206,609
Instructional Support Services	160,346	98,783	98,783
General Support	259,611	394,972	394,972
Community Services	5,890	6,228	6,228
Operation of Plant	69,440	142,552	142,552
Total Expenditures	1,516,353	1,849,144	1,849,144
Excess of Revenues Over (Under)			
Expenditures	38,856	(261,515)	(261,515)
Fund Balances, July 1, 2020	--	275,685	275,685
Fund Balances, June 30, 2021	\$ 38,856	\$ 14,170	\$ 14,170

Note to Schedule:

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

**Budgetary Comparison Schedule – Special Revenue Fund**  
**For the Year Ended June 30, 2021**  
**Caring and Sharing Learning School**  
*A Component Unit of the Alachua County District School Board*

	BUDGETED AMOUNTS		Actual
	Original	Final	Amounts
<b>Revenues</b>			
<b>Revenues:</b>			
Federal through State:			
Title I Grant	\$ 138,000	\$ 227,578	\$ 227,578
Title II Grant	--	5,697	5,697
<b>Total Revenues</b>	<b>138,000</b>	<b>233,275</b>	<b>233,275</b>
<b>Expenditures and Changes in Fund Balances</b>			
<b>Expenditures:</b>			
Current:			
Instruction	138,000	227,013	227,013
Community Services	--	6,262	6,262
<b>Total Expenditures</b>	<b>138,000</b>	<b>233,275</b>	<b>233,275</b>
<b>Excess of Revenues Over (Under)</b>			
<b>Expenditures</b>	--	--	--
<b>Fund Balances, July 1, 2020</b>	--	--	--
<b>Fund Balances, June 30, 2021</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

Note to Schedule:

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

# Schedules of School's Proportionate Share of the Net Pension Liability – Last 10 Fiscal Years

For the Year Ended June 30, 2021

## Caring and Sharing Learning School

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

### Florida Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Proportion of the net pension liability (asset)	.0023%	.0020%	.0018%	.0016%	.0016%	.0018%	.0018%			
Proportionate share of the net pension liability (asset)	\$ 981,081	\$ 701,438	\$ 550,362	\$ 486,716	\$ 413,948	\$ 226,526	\$ 111,436			
Covered-employee payroll	\$ 1,263,418	\$ 1,065,746	\$ 901,993	\$ 744,469	\$ 743,146	\$ 748,979	\$ 700,873			
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	77.65%	65.82%	61.02%	65.38%	55.70%	30.24%	15.90%			
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%			

### Health Insurance Subsidy Program

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Proportion of the net pension liability (asset)	.0036%	.0032%	.0027%	.0023%	.0024%	.0024%	.0023%			
Proportionate share of the net pension liability (asset)	\$ 444,964	\$ 356,084	\$ 290,437	\$ 249,170	\$ 280,171	\$ 247,450	\$ 218,890			
Covered-employee payroll	\$ 1,263,418	\$ 1,065,746	\$ 901,993	\$ 744,469	\$ 743,146	\$ 748,979	\$ 700,873			
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.22%	33.41%	32.2%	33.47%	37.70%	33.04%	31.23%			
Plan fiduciary net position as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	.97%	.50%	.99%			

Note: The amounts presented were determined as of June 30 for each fiscal year and will be presented prospectively.

Notes affecting trends in reported amounts:

The net pension liability for the FRS Pension Plan at July 1, 2017, has been increased by \$10,152,810 due to the restatement of the fund's beginning net position as a result of the implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The School's proportionate share of the net pension liability reflects that restatement.

The net pension liability for the FRS Pension Plan at July 1, 2019, has been decreased by \$940,602 due to an increase to beginning net position for an interfund receivable amount. The School's proportionate share of the net pension liability reflects that restatement.



**Schedules of Contributions – Last 10 Fiscal Years**  
**For Year Ended June 30, 2021**  
**Caring and Sharing Learning School**  
*A Component Unit of the Alachua County District School Board*

**Florida Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Required contribution	\$ 108,803	\$ 75,210	\$ 63,155	\$ 58,027	\$ 46,401	\$ 39,979	\$ 42,759			
Contributions in relation to the required contribution	(108,803)	(75,210)	(63,155)	(58,027)	(46,401)	(39,979)	(42,759)			
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --			
Covered-employee payroll	\$ 1,443,803	\$ 1,263,418	\$ 1,065,746	\$ 901,993	\$ 744,469	\$ 743,146	\$ 748,979			
Contributions as a percentage of covered-employee payroll	7.54%	5.95%	5.93%	6.43%	6.23%	5.38%	5.71%			

**Health Insurance Subsidy Program**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Required contribution	\$ 23,972	\$ 21,000	\$ 17,672	\$ 14,973	\$ 12,358	\$ 12,322	\$ 9,275			
Contributions in relation to the required contribution	(23,972)	(21,000)	(17,672)	(14,973)	(12,358)	(12,322)	(9,275)			
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --			
Covered-employee payroll	\$ 1,443,803	\$ 1,263,418	\$ 1,065,746	\$ 901,993	\$ 744,469	\$ 743,146	\$ 745,979			
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.24%			

Note: The amounts presented were determined as of June 30 for each fiscal year and will be presented prospectively.

Notes affecting trends in reported amounts:

- The net pension liability for the FRS Pension Plan at July 1, 2017, has been increased by \$10,152,810 due to the restatement of the fund's beginning net position as a result of the implementation of GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The School's proportionate share of the net pension liability reflects that restatement.
- The net pension liability for the FRS Pension Plan at July 1, 2019, has been decreased by \$940,602 due to an increase to beginning net position for an interfund receivable amount. The School's proportionate share of the net pension liability reflects that restatement.

# Kattell and Company, P.L.

*Certified Public Accountants Serving the Nonprofit Community*

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## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

September 22, 2021

To the Board of Directors  
Caring and Sharing Learning School

We have audited the financial statements of Caring and Sharing Learning School (the School) for the year ended June 30, 2021, and have issued our report thereon dated September 22, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 5, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### Qualitative Aspects of Accounting Practices

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

*Accounting Estimates.* Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Note 5 describes the estimates used to calculate net pension liability of the Florida Retirement System.

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

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

### Our Working Relationship with Management

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

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

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

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

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

\* \* \* \* \*

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

Very truly yours,

*Kattell and Company, P.L.*

Gainesville, Florida

# Kattell and Company, P.L.

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## MANAGEMENT LETTER

To the Board of Directors,  
Caring and Sharing Learning School

September 22, 2021

**Report on the Financial Statements.** We have audited the financial statements of Caring and Sharing Learning School (the School), as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 22, 2021.

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

**Other Reporting Requirements.** We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards* and Schedule of Findings. Disclosures in that report and schedule, which are dated September 22, 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. In that regard, Finding 2021-003 is similar to Finding 2020-002, and Finding 2021-004 is similar to Finding 2020-004. There were no similar findings reported for the year ended June 30, 2019.

**Official Title.** Section 10.854(1)(e)5, Rules of the Auditor General, requires that 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 of the entity is Caring and Sharing Learning School, and the school code assigned by the Florida Department of Education is 01-0953.

### **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 the School 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 School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. In that regard, Finding 2021-001 addresses factors that may be indications of a deteriorating financial condition.

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, see Findings 2021-003, 2021-004, and 2021-005 in the Schedule of Findings.

**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 School 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 School did not maintain on its website all the information specified in Section 1002.33(9)(p), Florida Statutes at August 13, 2021, the date of our procedures. See Finding 2021-002 in the Schedule of Findings.

**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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

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

\* \* \* \* \*

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

*Kattell and Company, P.L.*

# Kattell and Company, P.L.

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

To the Board of Directors,  
Caring and Sharing Learning School

September 22, 2021

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Caring and Sharing Learning School (the School), as of and for the year ended June 30, 2021, 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 22, 2021.

### Internal Control Over Financial Reporting

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

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

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

### Compliance and Other Matters

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

### School's Response to Findings

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

### Purpose of this Report

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

\*\*\*\*\*

As required by the Rules of the Auditor General of the State of Florida, we noted certain matters that we reported to management of the School in the management letter dated September 22, 2021.

*Kattell and Company, P.L.*

**Schedule of Findings**  
**June 30, 2021**  
**Caring and Sharing Learning School**  
*A Component Unit of the Alachua County District School Board*

**Financial Condition Assessment**

**2021-001            Deteriorating Financial Condition**

The School sustained a decrease in fund balance of its general fund of \$69,826 over the two-year period ended June 30, 2021, which leaves a fund balance of \$14,170 at June 30, 2021. It is not likely that the School could sustain a similar decrease in the coming year without meeting one or more conditions of a financial emergency as described in Section 218.503(1), Florida Statutes.

**Transparency**

**2021-002            Information on School Website**

The School has developed a website that includes most information required by Sections 1002.33(9)(p) and 1002.33(21)(3), Florida Statutes; however, the audited financial statements for the year ended June 30, 2020, were not available on August 13, 2021, the date of our procedures.

**Recommendations to Improve Financial Management**

**2021-003            Compensated Absences**

We recommend that the leave policies be clearly communicated to all employees in writing. It would seem most appropriate to include such policies in the Employee Handbook. Details should include how much leave time is earned, how much can be accumulated and what proportion of accumulated leave time will be paid at termination.

**2021-004            Land Lease**

The Internal Revenue Code prohibits the payment of excess compensation to members of management, the governing board, or their family members. However, there is no prohibition against paying at or below an amount considered reasonable compensation. In view of these provisions, we recommend that the School obtain an independent appraisal to support the amount paid on its land lease. In addition, we believe the lease agreement should be revised to ensure that the term of the lease gives the School the option to extend the lease indefinitely.

**2021-005            Controls over Credit Cards**

We believe the School could improve its controls over credit card purchases by ensuring that all charges are supported by adequate documentation; and that the credit card statements, with supporting documentation, are reviewed by a person separate from the one who initiates the majority of the purchases.



The Caring and Sharing Learning School  
2017 National Blue Ribbon School  
2010 National Title 1 Distinguished School

Mr. Curtis Peterson  
Principal

1951 S. E. 4<sup>th</sup> Street  
Gainesville, Florida 32641

Dr. Simon Johnson and Mrs. Verna Johnson  
Founders

9/22/2021

To Kattell and Company:

Caring and Sharing Learning School accepts the audit and your recommendation of 2020-2021.

**Finding:**

**2021-001**

Due to Covid-19 and other safety issues on campus, CSLS spent more money on Personnel, PPE, School safety and supplies to assist with the most effective way to educate students during the pandemic. Most of those measures will be decreased during the future and have less of an impact on our budget.

**2021-002**

We will ensure that the audit be placed on the website.

**Recommendations:**

**2021-003**

We will update the handbook to clearly reflect the compensated absences policy.

**2021-004**

We have a appraiser working on a recommendation for lease values in the area.

**2021-005**

We will ensure additional documentation on credit card purchase to clearly identify purchases.

Sincerely,

Curtis Peterson, Ed. S.  
Caring and Sharing Learning School  
Principal

"A Place Where Every Child Can Learn"  
Ph: 352-372-1004 Fax: 352- 372-0894  
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