

ACADEMY FOR POSITIVE LEARNING, INC.

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

Year Ended June 30, 2022

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022 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.

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 for Academy for Positive Learning, Inc., as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Change in Accounting Principle - GASBS 87

As described in Note 1 to the financial statements, the Academy adopted the Statement of the Governmental Accounting Standards Board (GASBS) No. 87- *Leases*. The adoption did not result in any changes to beginning net position or fund balances. Our opinion is not modified with respect to this matter.

Reporting Entity

As described in Note 1 to the financial statements, the accompanying financial the statements present the financial position of the governmental activities, and each major fund, of the Academy as of June 30, 2022, and the respective changes in financial position for the year then ended. Our opinion is not modified with respect to this matter.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain profession skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we have identified during the audit.

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 4 – 8 and 24 – 25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022, on our consideration of the Academy for Positive Learning, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Academy for Positive Learning, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Academy for Positive Learning, Inc.'s internal control over financial reporting and compliance.



Hollywood, FL
September 29, 2022

ACADEMY FOR POSITIVE LEARNING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

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, 2022.

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, 2022, 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 services it provides.

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, 2022

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 increase due to implementation of GASB 87 and decreased due to depreciation expenses of \$141,990. Increase in noncurrent liabilities is a result of the Lease liability under GASB 87. The Academy's assets exceeded liabilities by \$398,960 and \$260,627 at June 30, 2022 and 2021, respectively.

NET POSITION

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Current Assets	\$ 323,733	\$ 355,425	\$ (31,692)
Capital Assets	<u>518,540</u>	<u>111,733</u>	<u>406,807</u>
Total Assets	<u><u>\$ 842,273</u></u>	<u><u>\$ 467,158</u></u>	<u><u>\$ 375,115</u></u>
Current Liabilities	\$ 15,875	\$ 47,743	\$ (31,868)
Noncurrent Liabilities			
Portion due within one year			
Notes payable	145,671	16,370	129,301
Portion due after one year			
Notes payable	<u>281,767</u>	<u>142,418</u>	<u>139,349</u>
Total non-current liabilities	427,438	158,788	268,650
Total liabilities	\$ 443,313	\$ 206,531	\$ 236,782
Net Position			
Investments in Capital Assets			
net of related debt	\$ 518,540	\$ 111,733	\$ 406,807
Unrestricted	(119,580)	148,894	(268,474)
Restricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>398,960</u>	<u>260,627</u>	<u>138,333</u>
Total Liabilities and Net Position	<u><u>\$ 842,273</u></u>	<u><u>\$ 467,158</u></u>	<u><u>\$ 375,115</u></u>

ACADEMY FOR POSITIVE LEARNING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

<u>Revenue Sources</u>	<u>2022</u>	<u>2021</u>	<u>Variance</u>
State passed through local school	\$ 770,196	\$ 976,403	(206,207)
Federal passed through local schools	141,241	75,490	65,751
Interest income	27	27	-
Other revenue	<u>270,407</u>	<u>134,778</u>	<u>135,629</u>
Total	\$ 1,181,871	\$ 1,186,698	\$ (4,827)

Revenues for governmental activities totaled \$1,181,871 and \$1,186,698 for the years ended June 30, 2022 and 2021, respectively. The main source of revenue was from the Florida Education Finance Program ("FEFP"). This revenue represented approximately 65% and 86% of total revenue for the years ended June 30, 2022 and 2021, respectively.

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

	<u>2022</u>	<u>2021</u>	<u>Variances</u>
Basic instruction	\$ 347,762	\$ 374,865	\$ (27,103)
Pupil personnel services	29,784	53,023	(23,239)
Instructional media services	7,657	1,775	5,882
Instructional staff training	3,972	1,547	2,425
Board expenses	13,674	14,428	(754)
General administration	35,274	43,374	(8,100)
School administration	218,820	224,722	(5,902)
Facilities acquisitions & construction	143,008	198,635	(55,627)
Fiscal services	10,632	11,016	(384)
Food services	20,881	16,019	4,862
Pupil transportation services	-	-	-
Operation of plant	147,743	76,139	71,604
Maintenance of plant	9,559	34,711	(25,152)
Community activities	29,535	12,279	17,256
Debt service interest	<u>25,236</u>	<u>3,730</u>	<u>21,506</u>
Totals	\$ 1,043,537	\$ 1,066,263	\$ (22,726)

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 \$27,050 as of June 30, 2022.

ACADEMY FOR POSITIVE LEARNING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Lease Liability is as a result of implementing GASBS 87, the Academy recorded a lease liability as of the beginning of the year. The Academy has a building lease that is for a term of 48 months, starting on July 1, 2021, which is further described in Note C and E. It has a remaining term of 36 months at June 30, 2022. The Lease Liability at June 30, 2022 amounts to \$400,388.

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

FUND FINANCIAL ANALYSIS

Key highlights for the fiscal years ended June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Revenue	\$ 1,067,674	\$ 1,069,298	\$ (1,624)
Other financing sources	-	114,197	(114,197)
Debt services	(165,951)	(20,101)	(145,850)
Expenditures	<u>(901,547)</u>	<u>(1,097,619)</u>	<u>196,072</u>
Change in fund balance	176	65,775	(65,599)
Fund balance, beginning of year	<u>307,682</u>	<u>241,907</u>	<u>65,775</u>
Fund balance, end of year	\$ 307,858	\$ 307,682	\$ 176

CURRENT YEAR VS PRIOR YEAR RESULTS

The 2021-2022 school year was the eighteenth year that the Academy enrolled students. Total revenue was \$1,067,674 and \$1,069,298 for the years ended June 30, 2022 and 2021, respectively. The decrease in revenue was not significant. Total expenses were \$1,067,498 and \$1,097,619 for the years ended June 30, 2022 and 2021, respectively. The decrease in expenses is primarily attributable to an decrease in instruction salaries and support staff to handle the student count.

Actual revenue was approximately \$47,709 over the budgeted revenue mostly due to management bring in additional fundraising revenue in the last quarter of the fiscal year. Actual expenses were approximately \$102,767 less than budgeted due to the reduction in the number of students during the year.

**ACADEMY FOR POSITIVE LEARNING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

DEBT SERVICE

The Academy received a Paycheck Protection Program loan from the SBA for \$114,196 which was received from the second round of PPP loan on February 13, 2021 and they followed all necessary rules and requirements to allow for the entire loan amount to be forgiven on May 16, 2022.

The Academy was required to record a Lease Liability as a result of implementing GASBS 87, the Academy recorded a lease liability as of the beginning of the year. The Academy has a building lease that is for a term of 48 months, starting on July 1, 2021, which is further described in Note C. It has a remaining term of 36 months at June 30, 2022. The Lease Liability at June 30, 2022 amounts to \$400,388.

PROSPECTS FOR THE FUTURE

The Academy is working on renovations to our new location during the coming year and they will be working on increasing enrollment.

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, 2022

	Governmental Activities
	<hr/>
ASSETS	
CURRENT ASSETS	
Cash	\$ 263,211
Accounts receivable, net	<u>30,522</u>
Total current assets	<u>293,733</u>
CAPITAL ASSETS	
Right-to-use lease assets	497,713
Furniture, fixtures and equipment	62,138
Leasehold improvements	<u>127,209</u>
Total capital assets	687,060
Less accumulated depreciation and amortization	<u>(168,520)</u>
Total capital assets, net	518,540
OTHER ASSETS	
Deposits	<u>30,000</u>
Total assets	<u><u>\$ 842,273</u></u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accrued salaries and payroll deductions	\$ 15,875
NON-CURRENT LIABILITIES	
Portion due within one year	
PNC note payable	18,809
Lease liability	126,862
Portion due after one year	
PNC note payable	8,241
Lease liability	<u>273,526</u>
Total non-current liabilities	<u>427,438</u>
Total liabilities	443,313
NET POSITION	
Investment in capital assets, net of related debt	518,540
Unrestricted	<u>(119,580)</u>
Total net position	<u>398,960</u>
Total liabilities and net position	<u><u>\$ 842,273</u></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, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	307858 p9 Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Basic instruction	\$ 347,762	\$ -	\$ 141,241	\$ -	\$ (206,521)
Pupil personnel services	29,784	-	-	-	(29,784)
Instructional media services	7,657	-	-	-	(7,657)
Instructional staff training	3,972	-	-	-	(3,972)
Board	13,674	-	-	-	(13,674)
General administration	35,274	-	-	-	(35,274)
School administration	218,820	-	-	-	(218,820)
Facilities acquisition and construction	143,008	-	-	59,542	(83,466)
Fiscal services	10,632	-	-	-	(10,632)
Food services	20,881	-	-	-	(20,881)
Pupil transportation services	-	-	-	-	-
Operation of plant	147,743	-	-	-	(147,743)
Maintenance of plant	9,559	-	-	-	(9,559)
Community activities	29,535	-	-	-	(29,535)
Debt service interest	25,236	-	-	-	(25,236)
Total governmental activities	<u>\$ 1,043,537</u>	<u>\$ -</u>	<u>\$ 141,241</u>	<u>\$ 59,542</u>	<u>(842,754)</u>

General Revenues

Grants and contributions not restricted to specific programs	-
State revenues	710,653
Investment earnings	27
Miscellaneous	270,407
Total General Revenues	<u>981,087</u>
Change in net position	138,333
Net position, July 1, 2021	<u>260,627</u>
Net position, June 30, 2022	<u>\$ 398,960</u>

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

ACADEMY FOR POSITIVE LEARNING, INC.
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 263,211	\$ -	\$ -	\$ 263,211
Accounts receivable	30,522	-	-	30,522
Deposits	30,000	-	-	30,000
Total Assets	<u>\$ 323,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 323,733</u>
CURRENT LIABILITIES				
Accrued salaries and payroll deductions	\$ 15,875	\$ -	\$ -	\$ 15,875
Total liabilities	15,875	-	-	15,875
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	307,858	-	-	307,858
Total Fund Balances	<u>307,858</u>	<u>-</u>	<u>-</u>	<u>307,858</u>
Total Liabilities and Fund Balances	<u>\$ 323,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 323,733</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, 2022

Fund Balance - Governmental Funds		\$	307,858
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds			
Governmental capital assets	\$	687,060	
Less accumulated depreciation		<u>(168,520)</u>	
			518,540
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. These liabilities consist of:			
Due within one year:		(145,671)	
Due in more than one year:		<u>(281,767)</u>	
			<u>(427,438)</u>
Net Position of Governmental Activities		\$	<u><u>398,960</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, 2022

	General Fund	Special Revenue Fund	Capital 307858 Fund	p9 Total
REVENUES				
Federal passed through local school district	\$ -	\$ 141,241	\$ -	\$ 141,241
State passed through local school district	710,653	-	59,542	770,195
Other revenue	156,211	-	-	156,211
Investment earnings	27	-	-	27
TOTAL REVENUES	866,891	141,241	59,542	1,067,674
EXPENDITURES/EXPENSES				
Basic instruction	202,913	141,241	-	344,154
Pupil personnel services	29,784	-	-	29,784
Instructional media services	7,657	-	-	7,657
Instructional staff training	3,972	-	-	3,972
Board	13,674	-	-	13,674
General administration	35,274	-	-	35,274
School administration	218,279	-	-	218,279
Facilities acquisition and construction	(54,375)	-	59,542	5,167
Fiscal services	10,632	-	-	10,632
Food services	20,881	-	-	20,881
Pupil transportation services	-	-	-	-
Operation of plant	147,743	-	-	147,743
Maintenance of plant	9,559	-	-	9,559
Community activities	29,535	-	-	29,535
Debt service:				
Interest	25,236			25,236
Payments of lease liability	165,951			165,951
Total expenses	866,715	141,241	59,542	1,067,498
Excess (deficiency) of revenues over (under) expenses	176	-	-	176
Fund balances, July 1, 2021	307,682	-	-	307,682
Fund balances, June 30, 2022	\$ 307,858	\$ -	\$ -	\$ 307,858

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, 2022

Net Change in fund balances - governmental funds	\$	176
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Amounts reported for governmental activities in the statement of net assets are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of capital acquisitions are allocated over their estimated useful lives and reported net of depreciation and amortization expense.

The amount by which capital outlays exceeds depreciation and amortization is calculated as follows:

Expenditures and loss on disposal for capital assets	\$ 548,797	
Less current year depreciation	(141,990)	
		406,807

The issuance of noncurrent debt provides current financial resources to governmental funds. This amount represents the current year additions to noncurrent debt.

(560,793)

Payments on lease liability	177,946	
Forgiveness of PPP loan	114,197	
		(268,650)

Change in Net Position of Governmental Activities	\$	138,333
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The accompanying notes are an integral part of these basic financial statements.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

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, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Organization (continued)

In June 2017, the GASB issued Statement of the Governmental Accounting Standards Board (GASBS) No. 87 - Leases. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. The Academy adopted this Statement for the year ended June 30, 2022. The adoption did not result in any changes to previously reported amounts of net position or fund balances. See Notes C and E for additional information on the Academy's leases.

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.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- 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.
- 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.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

6. Changes in 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, 2022, the Academy recorded net capital assets of \$518,540.

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>
Right-to-use lease asset	4
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, 2022

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 2020-2022 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	\$ 141,241
State funding through local district	770,196
Aftercare and other revenue	<u>156,238</u>
	<u>\$ 1,067,675</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, 2022, uninsured bank deposit balances were \$10,328.

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE C – CAPITAL ASSETS

Capital asset activity, including the Academy's right-to-use lease asset, for the year ended June 30, 2022, was as follows:

	Beginning Balance <u>2022</u>	<u>Additions</u>	Adjustments and <u>Deletions</u>	Ending Balance <u>2022</u>
Governmental activities:				
Right-to-use asset leased building	\$ 497,713	\$ - 0 -	\$ - 0 -	\$ 497,713
Furniture, fixtures and equipment	36,357	25,781	- 0 -	62,138
Leasehold improvements	<u>101,906</u>	<u>25,303</u>	<u>- 0 -</u>	<u>127,209</u>
Total capital assets	<u>\$ 635,976</u>	<u>\$ 51,084</u>	<u>\$ - 0 -</u>	<u>\$ 687,060</u>
Less accumulated amortization for				
Right-to-use asset leased building	\$ - 0 -	\$124,428	\$ - 0 -	\$ 124,428
Less accumulated depreciation and amortization for other capital assets				
Furniture, fixtures and equipment	20,262	4,036	- 0 -	24,298
Leasehold improvements	<u>6,268</u>	<u>13,526</u>	<u>- 0 -</u>	<u>19,794</u>
Total assets depreciated	<u>\$ 26,530</u>	<u>\$141,990</u>	<u>\$ - 0 -</u>	<u>\$ 168,520</u>
Total governmental activities				
Capital assets, net	<u>\$ 609,446</u>	<u>\$(90,906)</u>	<u>\$ - 0 -</u>	<u>\$ 518,540</u>

As a result of the adoption of GASBS 87, the Academy recorded a right-to-use lease building asset as of the beginning of the year. See Note A-1 and C for additional information regarding the Academy's leases. The activity related to the lease liability is shown on Note E.

Depreciation and amortization expense were charged to functions as follows:

Governmental activities:	
Instruction	\$ 3,608
Administration	541
Operation of plant	<u>137,841</u>
Total depreciation and amortization	<u>\$141,990</u>

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE D – COMMITMENTS AND CONTINGENCIES

The Academy receives a majority of its funding from the School Board under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the Academy from time to time may participate in a number of federal, state and local grants which are subject to financial and compliance audits. It is the opinion of Management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures, which may be disallowed by federal or state grantor agencies, would not be material to the financial position of the Academy.

NOTE E – NON CURRENT LIABILITIES

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.

PNC Bank loan amounted to \$27,050 as of June 30, 2022.

On February 13, 2021, the Academy received its second Paycheck Protection Program (PPP) loan in the amount of \$114,197. This loan was forgiven in full on May 16, 2022 and is reflected in the statement of activities as revenue under general revenues.

Lease Liability is as a result of implementing GASBS 87, the Academy recorded a lease liability as of the beginning of the year. The Academy has a building lease that is for a term of 48 months, starting on July 1, 2021, which is further described in Note C. It has a remaining term of 36 months at June 30, 2022. The Lease Liability at June 30, 2022 amounts to \$400,388.

The balance of both loans at June 30, 2022 amounted to \$427,438.

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

Year ending June 30,	PNC Loan <u>Principal</u>	Interest - <u>PNC Loan</u>	Lease Liability <u>Principal</u>	Interest - Lease <u>Liability</u>
2023	\$ 18,809	\$ 1,294	\$ 126,862	\$ 17,138
2024	8,241	135	133,352	10,648
2025	<u>-</u>	<u>-</u>	<u>140,174</u>	<u>3,825</u>
Total	<u>\$ 27,050</u>	<u>\$ 1,429</u>	<u>\$ 400,388</u>	<u>\$ 31,611</u>

ACADEMY FOR POSITIVE LEARNING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2020 – 2022.

NOTE G – COVID-19 UNCERTAINTY

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States (U.S.). On March 11, 2021, the World Health Organization characterized COVID-19 as a pandemic, and multiple jurisdictions in the U.S. have declared states of emergency. The impact of the pandemic on the U.S. economy during 2021 was severe and is expected to continue for some time.

Management continues to evaluate and monitor the potential adverse effect that this event may have on the Academy's financial position, operations and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing

NOTE H – SUBSEQUENT EVENTS AND DATE OF MANAGEMENT'S REVIEW

In February 2022, the Russian Federation launched a full-scale invasion against Ukraine, and sustained conflict and disruption in the region is ongoing. The effect on the Company at this time is unknown as the situation is still evolving.

Management has evaluated subsequent events through September 29, 2022, 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, 2022
(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	788,982	788,982	710,653	(78,329)
Other revenue	30,200	30,200	156,238	126,038
Total revenues	819,182	819,182	866,891	47,709
Expenses				
Basic instruction	273,719	273,719	202,913	(70,806)
Pupil personnel services	11,000	11,000	29,784	18,784
Instructional media services	-	-	7,657	7,657
Instructional staff training	4,200	4,200	3,972	(228)
Board	20,800	20,800	13,674	(7,126)
General administration	35,946	35,946	35,274	(672)
School administration	167,203	167,203	218,279	51,076
Facilities acquisition and construction	145,000	145,000	(54,375)	(199,375)
Fiscal services	10,100	10,100	10,632	532
Food services	12,918	12,918	20,881	7,963
Pupil transportation services	-	-	-	-
Operation of plant	73,177	73,177	147,743	74,566
Maintenance of plant	9,000	9,000	9,559	559
Community activities	15,232	15,232	29,535	14,303
Total expenses	778,295	778,295	675,528	102,767
Revenues over expenditures	40,887	40,887	191,363	150,476
Other financing sources				
Commercial loan	-	-	-	-
Loan - paycheck protection program	-	-	-	-
Total other financing sources	-	-	-	-
Debt service:				
Retirement of principal	21,600	21,600	165,951	144,351
Interest	-	-	25,236	25,236
Total debt service	21,600	21,600	191,187	169,587
Net change in fund balance	19,287	19,287	176	(19,111)
Fund Balance, July 1, 2021	237,893	237,893	307,682	69,789
Fund Balance, June 30, 2022	\$ 257,180	\$ 257,180	\$ 307,858	\$ 50,678

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, 2022
(Unaudited)

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues				
Federal passed through local school district	\$ 60,887	\$ 60,887	\$ 141,241	\$ 80,354
State passed through local school district	-	-	-	-
Other revenue	-	-	-	-
	<u>60,887</u>	<u>60,887</u>	<u>141,241</u>	<u>80,354</u>
Total revenues	60,887	60,887	141,241	80,354
Expenses				
Basic instruction	60,887	60,887	141,241	80,354
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>60,887</u>	<u>60,887</u>	<u>141,241</u>	<u>80,354</u>
Total expenses	60,887	60,887	141,241	80,354
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, 2021	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Fund Balance, June 30, 2022	<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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**REPORT OF INDEPENDENT AUDITORS' 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 financial statements of the governmental activities and each major fund of the Academy for Positive Learning, Inc., (the "Academy"), a charter school, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated September 29, 2022.

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.

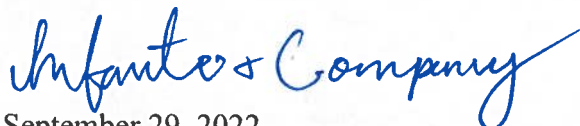
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on 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 the first name "Infante" being more prominent than "Company".

September 29, 2022
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, 2022, and have issued our report thereon dated September 29, 2022.

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 29, 2022, 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 29, 2022