

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORTS THEREON**

**JUNE 30, 2022**



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report of The Renaissance Learning Center, Inc., d/b/a The Learning Center at the Els Center of Excellence (the "School") presents management's discussion and analysis of the School's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the School's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The School's total net position increased compared to the prior year.
- During 2022, the School's revenues exceeded expenses by \$428,173, which is a decrease from the prior year when revenues exceeded expenses by \$817,844 (as restated).
- Overall, revenues (including the special item) increased by approximately \$494,000, which was a 9% increase from the prior year.
- Overall, expenses increased by approximately \$884,000, which was a 20% increase from the prior year.
- Total assets were \$3,249,333, and total liabilities were \$884,432, resulting in net position of \$2,364,901 as of June 30, 2022.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the School's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the School, reporting the School's operations in more detail than the government-wide statements.
  - The *governmental funds* financial statements tell how general school services were financed in the short term, as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

This document also includes the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(continued)

The following table summarizes the major features of the School's financial statements, including the portion of the School they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	<b>Government-wide Statements</b>	<b>Fund Statements Governmental Funds</b>
	Scope	Entire School
Required financial statements	Statement of net position Statement of activities	Balance sheet – governmental funds Statement of revenues, expenditures and changes in fund balances – governmental funds
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets/deferred outflows of resources expected to be used up and liabilities/deferred inflows of resources that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

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

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets and deferred outflows of resources, and its liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the School's net position and how it has changed. Net position – the difference between the School's assets and deferred outflows of resources and its liabilities and deferred inflows of resources – is one way to measure the School's financial condition. Over time, increases or decreases in the School's net position are an indicator of whether its financial condition is improving or deteriorating, respectively. To assess the overall health of the School, one needs to consider additional nonfinancial factors such as changes in the School's student base, the quality of the education and the safety of the School.

The government-wide financial statements of the School are generally divided into three categories:

Governmental Activities – Most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.

Business-type Activities – In certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.

Component Units – There currently are no component units included within the reporting entity of the School.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is a self-balancing set of accounts which the School uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law, and the School may establish other funds to control and manage money for particular purposes, such as for federal grants.

The School has one type of fund:

Governmental Funds – most of the School's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the differences between them.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(continued)**

**FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE**

**Net Position**

The School's combined net position as of June 30, 2022 and 2021 is summarized as follows – see table below:

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<b>2022</b>	<b>2021 (as restated)</b>	
Current and other assets	\$ 3,131,442	\$ 2,745,584	14%
Capital assets, net	117,891	55,168	114%
Total assets	<u>3,249,333</u>	<u>2,800,752</u>	<u>16%</u>
Current and other liabilities	<u>884,432</u>	<u>864,024</u>	<u>2%</u>
Total liabilities	<u>884,432</u>	<u>864,024</u>	<u>2%</u>
Net position:			
Net investment in capital assets	117,891	55,168	114%
Unrestricted	<u>2,247,010</u>	<u>1,881,560</u>	<u>19%</u>
Total net position	<u>\$ 2,364,901</u>	<u>\$ 1,936,728</u>	<u>22%</u>

Capital assets, net and the net investment in capital assets increased due to current year capital asset additions exceeding depreciation expense. Current and other assets and total net position changed due to the current year operating surplus and the activity noted above.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(continued)

**Change in Net Position**

The School's total revenues increased by 21% to \$5,779,689, and the total cost of all programs and services increased by 20% to \$5,351,516 – see table below:

	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>
	<u>2022</u>	<u>2021</u> (as restated)	
Revenues:			
Federal direct	\$ 20,306	\$ 5,243	287%
Federal sources passed through local school district	614,797	436,463	41%
State and local sources	4,843,892	4,211,503	15%
Contributions and other revenue	<u>300,694</u>	<u>126,511</u>	<u>138%</u>
Total revenues	<u>5,779,689</u>	<u>4,779,720</u>	<u>21%</u>
Expenses:			
Instruction	3,129,914	2,707,820	16%
Student support services	929,210	607,071	53%
Instructional media services	2,400	1,603	50%
Instructional staff training services	10,820	5,861	85%
Board	25,621	7,015	265%
General administration	54,951	54,904	0%
School administration	570,422	489,234	17%
Fiscal services	96,836	101,161	-4%
Central services	60,033	45,042	33%
Student transportation services	3,107	29,574	-89%
Operation and maintenance of plant	415,167	412,099	1%
Administrative technology	5,169	6,392	-19%
Community services	<u>47,866</u>	<u>-</u>	<u>100%</u>
Total expenses	<u>5,351,516</u>	<u>4,467,776</u>	<u>20%</u>
Special item:			
PPP loan forgiveness	<u>-</u>	<u>505,900</u>	<u>-100%</u>
Change in net position	<u>\$ 428,173</u>	<u>\$ 817,844</u>	<u>-48%</u>

Federal sources passed through local school district changed due to School receiving new funding in the current year from the Elementary and Secondary School Emergency Relief ("ESSER") Fund, in addition to increases in funding for the existing IDEA federal program. State and local sources increased due to local referendum funding received. The increase in contributions and other revenue is the result of an increase in activity fees and before- and after-school care, as these activities escalated after Covid.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(continued)**

Instruction, student support services, and school administration changed due to increased staffing and staff bonuses paid in the current year. The increase in community services is the result of an increase in the activities of various student groups, as well as an increase in fundraising events.

The special item is the result of the School receiving PPP loan forgiveness in the prior year.

Certain reclassifications were made in the 2021 amounts to conform to their classifications in 2022.

**FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS**

As the School completed the year, its governmental funds reported a combined fund balance of \$2,247,010. Both revenues and expenditures changed overall for the same reasons described above.

**General Fund Budgetary Highlights**

Over the course of the year, the School revised its budgets to account for the changes in student enrollment and resulting increases in appropriations.

For 2022, actual general fund revenues were approximately \$280,000 above the final budget, which represents a budget variance of 6%. Actual general fund expenditures were approximately \$360,000 above the final budget, which represents a budget variance of 8%.

**Special Revenue Fund Budgetary Highlights**

For 2022, actual special revenue fund revenues and expenditures were approximately \$120,000 below the final budget, primarily due to less ESSER funds received than expected.

**CAPITAL ASSET ADMINISTRATION**

The School's investment in capital assets at the end of fiscal 2022 amounts to \$117,891 (net of accumulated depreciation). See table below:

	<b>Governmental Activities</b>		<b>Increase</b>
	<b>2022</b>	<b>2021</b>	<b>(Decrease)</b>
Furniture, fixtures and equipment	\$ 125,719	\$ 25,852	386%
Motor vehicles	165,995	165,995	0%
Computer software	3,540	3,540	0%
Less accumulated depreciation	(177,363)	(140,219)	-26%
Total capital assets, net	<u>\$ 117,891</u>	<u>\$ 55,168</u>	<u>114%</u>

Certain reclassifications were made in the 2021 amounts to conform to their classifications in 2022.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

The School purchased smart boards and computer equipment in the current year. More detailed information about the School's capital assets is presented in Note 3 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The following economic indicators were taken into account when adopting the general fund budget for fiscal year 2023:

- Projected increase in base student allocation
- Decrease in non-recurring local referendum income

Amounts available for appropriation in the general fund are approximately \$4,837,000, a decrease of 4% from the final 2022 amount of \$5,045,998. Budgeted expenditures are expected to be approximately \$4,654,000, a decrease of 1% from the final 2022 amount of \$4,680,548. The School has added no major new programs to the fiscal 2023 budget.

If these estimates are realized, the School's budgetary general fund balance is expected to increase by the close of fiscal 2023.

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

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 650 Royal Palm Beach Blvd, Royal Palm Beach, Florida 33411.

## **INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

To the Board of Directors of  
The Renaissance Learning Center, Inc., d/b/a  
The Learning Center at the Els Center of Excellence

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of The Renaissance Learning Center, Inc., d/b/a The Learning Center at the Els Center of Excellence (the "School"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School'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, each major fund and the aggregate remaining fund information of The Renaissance Learning Center, Inc., d/b/a The Learning Center at the Els Center of Excellence as of June 30, 2022, 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.

#### **Basis for Opinions**

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 School 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; 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.

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 School'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 judgment and maintain professional 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 School'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School'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 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 on pages 1 – 7 and the budgetary comparison information on pages 25 – 26 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 1, 2023 on our consideration of the School'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 the School'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 the School's internal control over financial reporting and compliance.

*BKHM, P.A.*

Orlando, Florida  
September 1, 2023

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**STATEMENT OF NET POSITION**

**JUNE 30, 2022**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,102,152
Accounts receivable	9,112
Prepaid expenses	20,178
Capital assets, net	117,891
Total assets	<u>\$ 3,249,333</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 493,237
Accrued expenses	391,195
Total liabilities	<u>884,432</u>
<b>NET POSITION</b>	
Net investment in capital assets	117,891
Unrestricted	2,247,010
Total net position	<u>2,364,901</u>
Total liabilities and net position	<u>\$ 3,249,333</u>

The accompanying notes to financial statements are an integral part of this statement.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**STATEMENT OF ACTIVITIES**

**FOR YEAR ENDED JUNE 30, 2022**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental activities:						
Instruction	\$ 3,129,914	\$ -	\$ 535,183	\$ -	\$ (2,594,731)	\$ (2,594,731)
Student support services	929,210	-	18,866	-	(910,344)	(910,344)
Instructional media services	2,400	-	-	-	(2,400)	(2,400)
Instructional staff training services	10,820	-	-	-	(10,820)	(10,820)
Board	25,621	-	-	-	(25,621)	(25,621)
General administration	54,951	-	-	-	(54,951)	(54,951)
School administration	570,422	-	-	-	(570,422)	(570,422)
Fiscal services	96,836	-	-	-	(96,836)	(96,836)
Central services	60,033	-	-	-	(60,033)	(60,033)
Student transportation services	3,107	-	-	-	(3,107)	(3,107)
Operation and maintenance of plant	415,167	-	-	-	(415,167)	(415,167)
Administrative technology services	5,169	-	-	-	(5,169)	(5,169)
Community services	47,866	56,647	-	-	8,781	8,781
Total primary government	<u>\$ 5,351,516</u>	<u>\$ 56,647</u>	<u>\$ 554,049</u>	<u>\$ -</u>	<u>(4,740,820)</u>	<u>(4,740,820)</u>
General revenues:						
Federal sources passed through local school district					81,054	81,054
State and local sources					4,843,892	4,843,892
Contributions and other revenue					244,047	244,047
Total general revenues					<u>5,168,993</u>	<u>5,168,993</u>
Change in net position					428,173	428,173
Net position at beginning of year, as restated (Note 6)					1,936,728	1,936,728
Net position at end of year					<u>\$ 2,364,901</u>	<u>\$ 2,364,901</u>

The accompanying notes to financial statements are an integral part of this statement.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2022**

	<b>General Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,102,152	\$ -	\$ 3,102,152
Accounts receivable	-	9,112	9,112
Prepaid expenditures	20,178	-	20,178
Due from other governmental funds	9,112	-	9,112
Total assets	<u>\$ 3,131,442</u>	<u>\$ 9,112</u>	<u>\$ 3,140,554</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 493,237	\$ -	\$ 493,237
Accrued expenditures	391,195	-	391,195
Due to general fund	-	9,112	9,112
Total liabilities	<u>884,432</u>	<u>9,112</u>	<u>893,544</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid expenditures	20,178	-	20,178
Committed:			
For economic contingencies	956,720	-	956,720
Unassigned	1,270,112	-	1,270,112
Total fund balances	<u>2,247,010</u>	<u>-</u>	<u>2,247,010</u>
Total liabilities and fund balances	<u>\$ 3,131,442</u>	<u>\$ 9,112</u>	<u>\$ 3,140,554</u>

The accompanying notes to financial statements are an integral part of this statement.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**JUNE 30, 2022**

**Total fund balances - total governmental funds** \$ 2,247,010

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets is \$295,254 and the accumulated depreciation is \$177,363.

117,891

**Total net position - governmental activities**

\$ 2,364,901

The accompanying notes to financial statements are an integral part of this statement.



**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Federal direct	\$ -	\$ 20,306	\$ -	\$ 20,306
Federal sources passed through local school district	-	614,797	-	614,797
State and local sources	4,745,304	-	98,588	4,843,892
Contributions and other revenue	300,694	-	-	300,694
Total revenues	<u>5,045,998</u>	<u>635,103</u>	<u>98,588</u>	<u>5,779,689</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	2,561,924	535,183	-	3,097,107
Student support services	910,344	18,866	-	929,210
Instructional media services	2,400	-	-	2,400
Instructional staff training services	10,820	-	-	10,820
Board	25,621	-	-	25,621
General administration	54,951	-	-	54,951
School administration	566,085	-	-	566,085
Fiscal services	96,836	-	-	96,836
Central services	60,033	-	-	60,033
Student transportation services	3,107	-	-	3,107
Operation and maintenance of plant	316,579	-	98,588	415,167
Administrative technology services	5,169	-	-	5,169
Community services	47,866	-	-	47,866
Other capital outlay	18,813	81,054	-	99,867
Total expenditures	<u>4,680,548</u>	<u>635,103</u>	<u>98,588</u>	<u>5,414,239</u>
Net change in fund balances	365,450	-	-	365,450
Fund balances at beginning of year, as restated (Note 6)	<u>1,881,560</u>	<u>-</u>	<u>-</u>	<u>1,881,560</u>
Fund balances at end of year	<u>\$ 2,247,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,247,010</u>

The accompanying notes to financial statements are an integral part of this statement.

**THE RENAISSANCE LEARNING CENTER INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2022**

<b>Net changes in fund balances - total governmental funds</b>	<b>\$ 365,450</b>
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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 costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$99,867) exceed depreciation expense (\$37,144) in the current period.

62,723

**Change in net position of governmental activities**

\$ 428,173

The accompanying notes to financial statements are an integral part of this statement.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Renaissance Learning Center, Inc. (the "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 governing body of the School is the not-for-profit corporation Board of Directors, which is composed of at least three members. The School operates under the name of The Learning Center at the Els Center of Excellence.

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 District School Board of Palm Beach County, Florida (the "School Board"). The current charter is effective until June 30, 2037 and may be renewed by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the School Board. Any unencumbered capital outlay funds revert back to the Florida Department of Education ("FDOE") to be redistributed among eligible charter schools. The School meets the definition of a governmental entity under the Governmental Accounting Standards Board's ("GASB") accounting guidance; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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 GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. 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.

**Basis of Presentation**

The School's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the GASB. Accordingly, both government-wide and fund financial statements are presented.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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. 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.

The government-wide financial statements of the School are generally divided into three categories:

Governmental Activities – Most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.

Business-type Activities – In certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.

Component Units – There currently are no component units included within the reporting entity of the School.

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is an accounting entity having a self-balancing set of accounts for recording assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The funds in the financial statements of this report are as follows:

Governmental Funds:

General Fund – 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 and grants that are restricted by law or administrative action to expenditure for specific purposes and to provide a single source of accountability for all funds received.

Capital Projects Fund – To account for all resources for the acquisition of capital items by the School purchased with capital outlay funds.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

For purposes of these statements, the general and special revenue funds are considered major funds. The capital projects fund is considered non-major and is included as the other governmental fund.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are presented using the accrual basis of accounting and an economic resources focus. Under the accrual basis of accounting, revenues and expenses are recognized when they occur.

The modified accrual basis of accounting and current financial resources focus is followed by the governmental funds. Under the modified accrual basis, revenues are recognized when they become measurable and available. Available means collectible within the current year or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized when due and (2) expenditures related to liabilities reported as general long-term debt are recognized when due.

**Budgetary Basis Accounting**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the fund level.

**Cash and Cash Equivalents**

Investments with an original maturity of three months or less at the time they are purchased are considered to be cash equivalents. Deposits totaling approximately \$2,870,000 were not fully guaranteed by the FDIC as of June 30, 2022. The School has historically not experienced losses on its bank cash deposits..

**Capital Assets and Depreciation**

Expenditures for capital assets acquired for general School purposes are reported in the governmental fund that financed the acquisition. Purchased capital assets are reported at cost, net of accumulated depreciation, in the government-wide financial statements. Donated assets are recorded at fair value at the date of donation.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

	<u>Years</u>
Furniture, fixtures and equipment	3 - 10
Motor vehicles	7
Computer software	3

Information relative to changes in capital assets is described in Note 3.

**Fund Balance Spending Policy**

The School's adopted spending policy is to spend from the restricted fund balance first, followed by committed, assigned, then the unassigned fund balance. Most funds were designated for one purpose at the time of their creation. Therefore, expenditures made out of the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. If expenditures are incurred that meet the purpose of more than one fund, they will be allocated to restricted fund balance first and then follow the order above. Funds can only be committed by formal action of the Board of Directors. No funds may be assigned. There are no minimum fund balance requirements for any of the School's funds.

The School has committed fund balance in the amount of \$956,720 as of June 30, 2022, which is to be maintained for economic contingencies.

**Revenue Sources**

Revenues for current operations are received primarily from the School Board pursuant to the funding provisions included in the School's charter. As such, the School's revenue stream is largely dependent upon the general state of the economy and the amounts allotted to the FDOE by the state legislature. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the School reports the number of full-time equivalent students and related data to the School Board.

Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of full-time equivalent students and related data to the FDOE for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. The School Board receives a 5% administrative fee from the School, which is reflected as a general administration expense/expenditure in the accompanying financial statements.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures and, as such, the unexpended portion is reflected as restricted net position and reserved fund balance in the accompanying financial statements.

**Income Taxes**

The School is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for federal income taxes is included in the accompanying financial statements.

**Use of Estimates**

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the date of the statement of net position and the balance sheet – governmental funds and affect revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

**Subsequent Events**

The School has evaluated subsequent events through September 1, 2023, the date these financial statements were available to be issued.

**2 INTERFUND ACTIVITIES**

Due to/from other funds consisted of the following balances as of June 30, 2022:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 9,112	\$ -
Other non-major governmental fund	-	9,112
Total interfund	<u>\$ 9,112</u>	<u>\$ 9,112</u>

The amount payable by the other non-major governmental fund to the general fund is to cover temporary cash shortages related to the timing of receipts.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**3 CHANGES IN CAPITAL ASSETS**

Capital asset activity during 2022 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Furniture, fixtures and equipment	\$ 25,852	\$ 99,867	\$ -	\$ 125,719
Motor vehicles	165,995	-	-	165,995
Computer software	3,540	-	-	3,540
Total capital assets	<u>195,387</u>	<u>99,867</u>	<u>-</u>	<u>295,254</u>
Less accumulated depreciation for:				
Furniture, fixtures and equipment	(13,834)	(20,277)	-	(34,111)
Motor vehicles	(122,845)	(16,867)	-	(139,712)
Computer software	(3,540)	-	-	(3,540)
Total accumulated depreciation	<u>(140,219)</u>	<u>(37,144)</u>	<u>-</u>	<u>(177,363)</u>
Governmental activities capital assets, net	<u>\$ 55,168</u>	<u>\$ 62,723</u>	<u>\$ -</u>	<u>\$ 117,891</u>

Certain reclassifications were made in the 2021 amounts to conform to their classifications in 2022.

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 32,807
School administration	<u>4,337</u>
Total governmental activities depreciation expense	<u>\$ 37,144</u>



**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**4 COMMITMENTS AND CONTINGENT LIABILITIES**

**Grants**

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable as of June 30, 2022 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**Legal Matters**

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

**Risk Management Program**

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

**Employee Benefit Plan**

The School sponsors a 403(b) Plan (the "Plan"), which is a defined contribution plan. The Plan operates under Section 403(b) of the Internal Revenue Code. All employees may contribute up to an annual maximum of pretax annual compensation, as defined in the Plan. Under the terms of the Plan, the School contributes amounts to the Plan at the discretion of the Board of Directors. The School's contributions during 2022 totaled approximately \$5,000, which is included in instruction in the accompanying financial statements.

**Articulation Agreement**

On February 27, 2019, the School entered into an agreement with The Renaissance Learning Academy, Inc., d/b/a The Learning Academy at The Els Center of Excellence and the School Board to provide for enrollment assistance and support to students enrolled at the School to allow for articulation of students from the School to Renaissance Learning Academy, Inc. The term of the agreement remains effective so long as both schools maintain their respective charters. Either party may terminate the agreement by providing written notice to the other party of not less than ninety (90) days prior to the start of any school year.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**5 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES**

The following is a schedule of state and local revenue sources and amounts:

District School Board of Palm Beach County, Florida:	
Florida Education Finance Program	\$ 2,809,664
Capital outlay	639,589
Class size reduction	604,501
Discretionary local effort	484,401
Referendum revenue	98,588
Teacher salary increase allocation	98,090
Supplemental academic instruction	32,749
Reading allocation	24,566
Additional allocation	17,566
Instructional materials	10,773
Safe schools	8,837
Teacher lead	8,640
Mental health allocation	5,814
Digital classrooms allocation	114
Total	<u>\$ 4,843,892</u>

The administration fee paid to the School Board during 2022 totaled \$54,951, which is reflected as a general administration expense/expenditure in the accompanying financial statements.

**6 PRIOR PERIOD ADJUSTMENT**

During fiscal year 2022, the School determined that liabilities were recorded for funds held for particular purposes or activities. These amounts should have been recorded as a component of net assets or fund balance. Accordingly, the beginning balance of accounts payable was reduced by \$100,888. The School also determined that a portion of accounts receivable should not have been recorded in the prior year. Accordingly, the beginning balance of accounts receivable was reduced by \$29,494. The cumulative impact of these adjustments was to increase the beginning balance of unrestricted net assets and the beginning balance of unassigned general fund balance by \$71,394.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State and local sources	\$ 4,146,358	\$ 4,079,366	\$ 4,745,304	\$ 665,938
Contributions and other revenue	133,500	686,333	300,694	(385,639)
Total revenues	<u>4,279,858</u>	<u>4,765,699</u>	<u>5,045,998</u>	<u>280,299</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	2,519,479	2,329,365	2,561,924	(232,559)
Instructional support services	625,000	916,419	910,344	6,075
Instructional media services	-	-	2,400	(2,400)
Instructional staff training services	-	-	10,820	(10,820)
Board	10,000	10,000	25,621	(15,621)
General administration	-	-	54,951	(54,951)
School administration	555,000	555,000	566,085	(11,085)
Fiscal services	105,000	102,000	96,836	5,164
Central services	55,000	105,000	60,033	44,967
Student transportation services	1,000	10,000	3,107	6,893
Operation and maintenance of plant	398,105	281,335	316,579	(35,244)
Administrative technology services	10,000	10,000	5,169	4,831
Community services	1,000	1,000	47,866	(46,866)
Other capital outlay	-	-	18,813	(18,813)
Total expenditures	<u>4,279,584</u>	<u>4,320,119</u>	<u>4,680,548</u>	<u>(360,429)</u>
Net change in fund balance	274	445,580	365,450	(80,130)
Fund balance at beginning of year	<u>1,881,560</u>	<u>1,881,560</u>	<u>1,881,560</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 1,881,834</u></u>	<u><u>\$ 2,327,140</u></u>	<u><u>\$ 2,247,010</u></u>	<u><u>\$ (80,130)</u></u>

See independent auditor's report.

**THE RENAISSANCE LEARNING CENTER, INC., d/b/a  
THE LEARNING CENTER AT THE ELS CENTER OF EXCELLENCE**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal direct	\$ -	\$ 20,306	\$ 20,306	\$ -
Federal sources passed through local school district	564,052	734,783	614,797	(119,986)
Total revenues	<u>564,052</u>	<u>755,089</u>	<u>635,103</u>	<u>(119,986)</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	564,052	755,089	535,183	219,906
Student support services	-	-	18,866	(18,866)
Other capital outlay	-	-	81,054	(81,054)
Total expenditures	<u>564,052</u>	<u>755,089</u>	<u>635,103</u>	<u>119,986</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

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

To the Board of Directors of  
The Renaissance Learning Center, Inc., d/b/a  
The Learning Center at the Els Center of Excellence

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of The Renaissance Learning Center, Inc., d/b/a The Learning Center at the Els Center of Excellence (the "School"), as of and for the year ended June 30, 2022, 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 1, 2023.

**REPORT ON 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 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 a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

To the Board of Directors of  
The Renaissance Learning Center, Inc., d/b/a  
The Learning Center at the Els Center of Excellence  
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We identified a deficiency in internal control, described below, that we consider to be a material weakness.

Finding 2022-001: Accounts Receivable Monitoring

Accounts receivable in the current period and the prior period did not have appropriate support. We recommend that management periodically review accounts receivable to ensure that receivables exist and are valid claims.

**REPORT ON COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the School'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*.

**SCHOOL'S RESPONSE TO FINDING**

*Government Auditing Standards* require the auditor to perform limited procedures on the School's response to the finding identified in our audit and described in the written statement of explanation or rebuttal on page 32. The School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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.



Orlando, Florida  
September 1, 2023

**ADDITIONAL INFORMATION REQUIRED BY  
RULES OF THE AUDITOR GENERAL,  
CHAPTER 10.850**

To the Board of Directors of  
The Renaissance Learning Center, Inc., d/b/a  
The Learning Center at the Els Center of Excellence

## **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of The Renaissance Learning Center, Inc., d/b/a The Learning Center at the Els Center of Excellence (the "School"), as of and for the year ended June 30, 2022, and have issued our report thereon dated September 1, 2023.

## **AUDITOR'S RESPONSIBILITY**

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

## **OTHER REPORTING REQUIREMENTS**

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 1, 2023, 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 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 of the entity is The Learning Center at the Els Center of Excellence, and the school code assigned by the Florida Department of Education is 2791.

## **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 condition(s) described in Section 218.503(1), Florida Statutes, and to identify the specific conditions 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.



To the Board of Directors of  
The Renaissance Learning Center, Inc., d/b/a  
The Learning Center at the Els Center of Excellence  
Page 2

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 the review of financial information provided by same. The financial condition assessment was done as of the fiscal year-end.

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 School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **PURPOSE OF THIS LETTER**

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

*BKHM, P.A.*

Orlando, Florida  
September 1, 2023

## **WRITTEN STATEMENT OF EXPLANATION OR REBUTTAL**

RESPONSE: We have reviewed procedures and plan to make the necessary changes to improve internal control. Specifically, the custody, record-keeping and reconciling functions currently performed by the School accounting personnel will be separated and spread among the School finance firm and the School bookkeeper. We plan to implement these changes effective immediately.