

**ACADEMY FOR POSITIVE LEARNING, INC.  
(A CHARTER SCHOOL AND COMPONENT UNIT OF PALM BEACH  
COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**

**BASIC FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED JUNE 30, 2023**

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
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**JUNE 30, 2023**

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## INDEPENDENT AUDITORS' REPORT

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
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) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Academy'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 of the Academy, as of June 30, 2023, and the respective changes in financial position for the fiscal 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 Auditors' 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.

#### **Auditors' 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 auditors' 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 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 judgment, 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 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 3–6 and 19–21 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 December 21, 2023, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Academy'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 Academy's internal control over financial reporting and compliance.

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Hollywood, FL  
December 21, 2023

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Required Supplementary Information)**

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**ACADEMY FOR POSITIVE LEARNING, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

Our discussion and analysis of the Academy for Positive Learning, Inc.'s, (the Academy) financial performance provides an overview of the Academy's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with the Academy's financial statements which immediately follow this discussion.

For financial reporting purposes, the Academy is considered a component unit of Palm Beach County District School Board, Florida, which is a primary government entity for financial reporting. The Academy has included separate statements for the Statement of Net Position, the Statement of Activities, the Balance Sheet of Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds. The Governmental 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 information on all of the activities of the Academy.

**FINANCIAL HIGHLIGHTS**

- The assets of the Academy exceeded liabilities and deferred inflows of resources as of June 30, 2023 by \$218,713 compared to \$398,960 as of June 30, 2022 (net position).
- At June 30, 2023, the Academy had current assets on hand of \$189,217 compared to \$323,733 as of June 30, 2022 and current liabilities of \$3,211 compared to \$15,875. The decrease in current assets was due to a decrease in long-term debt.
- The net position of the Academy decreased by \$180,247 during 2023 compared to an increase of \$138,333 during the prior year.
- At June 30, 2023, the Academy reported \$156,006 of unassigned fund balance compared to \$307,858 as of June 30, 2022; a decrease of \$151,852.

**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, liabilities, and deferred inflows of resources using the accrual method of accounting. All of the current year's revenues and expenses are also recorded.

*The Statement of Net Position* presents information on all of the Academy's assets, deferred outflows of resources, liabilities and deferred inflows of resources, 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 position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The government-wide financial statements can be found on pages 7 – 8 on this report.

***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. The Academy like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

*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.

The governmental fund financial statements can be found on pages 9 – 12 of this report.

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

**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 13 – 18 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the Academy's financial position. The Academy's assets exceeded liabilities by \$218,713 and by \$398,960 as of June 30, 2023 and June 30, 2022, respectively. A summary of the Academy's net position as of June 30:

	<b>Net position</b>		
	<b>2023</b>	<b>2022</b>	<b>Variance</b>
<b>Assets</b>			
Current and other assets	\$ 189,217	\$ 323,733	\$ (134,516)
Capital assets	39,244	518,540	(479,296)
<b>Total assets</b>	<b>\$ 228,461</b>	<b>\$ 842,273</b>	<b>\$ (613,812)</b>
<b>Liabilities and net position</b>			
Current liabilities	\$ 3,211	\$ 15,875	\$ (12,664)
Non-current liabilities	6,537	427,438	(420,901)
<b>Total liabilities</b>	<b>9,748</b>	<b>443,313</b>	<b>(433,565)</b>
Net investments in capital assets	39,244	109,911	(70,667)
Unrestricted	179,469	289,049	(109,580)
<b>Total net position</b>	<b>218,713</b>	<b>398,960</b>	<b>(180,247)</b>
<b>Total liabilities and net position</b>	<b>\$ 228,461</b>	<b>\$ 842,273</b>	<b>\$ (613,812)</b>
<b>Revenue sources</b>	<b>2023</b>	<b>2022</b>	<b>Variance</b>
State passed through local schools	\$ 894,745	\$ 770,196	\$ 124,549
Federal passed through local schools	168,360	141,241	27,119
Interest income	-	27	(27)
Other revenue	235,095	270,407	(35,312)
<b>Total</b>	<b>\$ 1,298,200</b>	<b>\$ 1,181,871</b>	<b>\$ 116,329</b>

At the end of the year, the Academy is able to report positive balances in total net position. The decrease in cash was a result of an increase in rent expenses. Revenues for governmental activities totaled \$1,227,566 and \$1,181,871 for the years ended June 30, 2023 and 2022, respectively. The main source of revenue was from the Florida Education Finance Program ("FEFP"). This revenue represented approximately 66% and 62% for 2023 and 2022 of total revenue, respectively.

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

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

	<u>2023</u>	<u>2022</u>	<u>Variances</u>
Instruction	\$ 561,770	347,762	\$ 214,008
Pupil personnel services	35,685	29,784	5,901
Instructional media services	-	7,657	(7,657)
Instructional staff training	189	3,972	(3,783)
Board expenses	35,942	13,674	22,268
General administration	39,587	35,274	4,313
School administration	236,623	218,820	17,803
Facilities acquisition & construction	94,535	5,167	89,368
Fiscal services	11,759	10,632	1,127
Food services	12,859	20,881	(8,022)
Operation of plant	292,634	285,584	7,050
Maintenance of plant	21,603	9,559	12,044
Community activities	42,915	29,535	13,380
Debt service	21,712	25,236	(3,524)
	<u>\$ 1,407,813</u>	<u>\$ 1,043,537</u>	<u>\$ 364,276</u>
Totals			

The increase in instruction cost was the result of an increase in instructional staff as compared to the prior year. The increase in Facilities acquisition & construction is a result of increase rent expense. The increase in board expense is related to an increase in legal services compared to the prior year.

**FUND FINANCIAL ANALYSIS**

Key highlights for the fiscal years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>	<u>Variances</u>
Revenues	1,298,200	1,067,674	230,526
Expenditures	(1,420,052)	(1,067,498)	(352,554)
Change in fund balance	(121,852)	176	(122,028)
Fund balance, beginning of year	307,858	307,682	176
Fund balance, end of year	<u>186,006</u>	<u>307,858</u>	<u>(121,852)</u>

**CURRENT YEAR VS PRIOR YEAR RESULTS – FUND BASIS**

The 2022 – 2023 school year was the seventeenth year that the Academy enrolled students. Total revenue was \$1,298,200 and \$1,067,674 for the years ended June 30, 2023 and 2022, respectively. The increase in revenue was the result of the school receiving additional FEFP funding. Total expenditures were \$1,420,052 and \$1,067,498 for the years ended June 30, 2023 and 2022, respectively. The increase in expenditures is primarily attributable to the increase in instruction function expenses as described above.

**Capital Assets and Debt Administration**

The Academy's investment in capital assets as of June 30, 2023 amounts to \$39,244 (net of accumulated depreciation) as compared to \$518,540 (net of accumulated depreciation) as of June 30, 2022. For more information on capital assets see Note 4 on page 17.

At year-end, the Academy's had approximately \$6,537 in outstanding debt as compared to \$427,438 as of June 30, 2022. For more information on the Academy's outstanding debt see Note 5 on page 18.

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Prior to the start of the Academy's fiscal year, the school board adopted an annual budget for the Academy. A budgetary comparison schedule has been provided for the governmental funds to demonstrate compliance with the Academy's budget and it is reported on page 19.

**PROSPECTS FOR THE FUTURE**

On August 9, 2023, the Academy's governing board decided to voluntarily terminate the charter contract effective immediately.

**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 the Academy for Positive Learning, Inc., 2405 Mercer Ave, West Palm Beach, FL 33401.

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## **BASIC FINANCIAL STATEMENTS**

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**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF THE PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 151,234
Due from other agencies	7,983
Security deposits	30,000
Capital assets being depreciated, net	39,244
Total assets	<u>\$ 228,461</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 3,211
Noncurrent liabilities	
Due within one year	
Line of credit	6,537
Total Liabilities	<u>9,748</u>
<b>NET POSITION</b>	
Investment in capital assets	39,244
Unrestricted	179,469
Total net position	<u>218,713</u>
Total liabilities and net position	<u>\$ 228,461</u>

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

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF THE PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction	\$ 561,770	\$ -	\$ 168,360	\$ -	\$ (393,410)
Pupil personnel services	35,685	-	-	-	(35,685)
Instructional staff training	189	-	-	-	(189)
Board expenses	35,942	-	-	-	(35,942)
General	39,587	-	-	-	(39,587)
School administration	236,623	-	-	-	(236,623)
Facilities acquisition & construction	94,535	-	66,861	-	(27,674)
Fiscal services	11,759	-	-	-	(11,759)
Food services	12,859	-	-	-	(12,859)
Operation of plant	292,634	-	-	-	(292,634)
Maintenance of plant	21,603	-	-	-	(21,603)
Community services	42,915	-	-	-	(42,915)
Debt service	21,712	-	-	-	(21,712)
Total governmental activities	<u>\$ 1,407,813</u>	<u>\$ -</u>	<u>\$ 235,221</u>	<u>\$ -</u>	<u>(1,172,592)</u>
General Revenues					
State through local school district					827,884
Miscellaneous revenues					235,095
Gain on sale of asset					(70,634)
Total General Revenues					<u>992,345</u>
Change in net position					(180,247)
Net position - beginning					<u>398,960</u>
Net position - ending					<u>\$ 218,713</u>

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

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF THE PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
<b>ASSETS</b>				
Cash	\$ 151,234	\$ -	\$ -	\$ 151,234
Due from other agencies	7,983	-	-	7,983
Security deposits	30,000	-	-	30,000
Total Assets	<u>\$ 189,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,217</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued salaries	\$ 3,211	\$ -	\$ -	\$ 3,211
Total Liabilities	<u>3,211</u>	<u>-</u>	<u>-</u>	<u>3,211</u>
Fund balances:				
Nonspendable	30,000	-	-	30,000
Unassigned	156,006	-	-	156,006
Total Fund Balances	<u>186,006</u>	<u>-</u>	<u>-</u>	<u>186,006</u>
Total Liabilities and Fund Balances	<u><u>\$ 189,217</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 189,217</u></u>

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

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF THE PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**RECONCILIATION OF THE BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION - GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

**Fund balance - total governmental funds (page 9)** **\$ 186,006**

Amounts reported for governmental activities in the statement of net position are different as a result of:

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

Governmental capital assets	67,738	
Less accumulated depreciation	<u>(28,494)</u>	
		39,244

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Line of credit payable	(6,537)	
		(6,537)

**Net position of governmental activites (page 7)** **\$ 218,713**

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

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF THE PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
<b>REVENUES</b>				
Federal passed through local school district	\$ -	\$ 168,360	\$ -	\$ 168,360
State passed through local school district	827,884	-	66,861	894,745
Other revenue	235,095	-	-	235,095
Total revenues	1,062,979	168,360	66,861	1,298,200
<b>EXPENDITURES</b>				
Instruction	381,097	168,360	-	549,457
Pupil personnel services	35,685	-	-	35,685
Instructional staff training	189	-	-	189
Board expenses	35,942	-	-	35,942
General	39,587	-	-	39,587
School administration	236,082	-	-	236,082
Facilities acquisition & construction	16,899	-	66,861	83,760
Fiscal services	11,759	-	-	11,759
Food services	12,859	-	-	12,859
Operation of plant	156,094	-	-	156,094
Maintenance of plant	21,603	-	-	21,603
Community services	42,915	-	-	42,915
Debt service:				
Repayment of principal	147,375	-	-	147,375
Interest	21,712	-	-	21,712
Capital Outlay	25,033	-	-	25,033
Total expenditures	1,184,831	168,360	66,861	1,420,052
Excess (deficit) of revenues over expenditures	(121,852)	-	-	(121,852)
Net Change in Fund Balance	(121,852)	-	-	(121,852)
Beginning fund balances	307,858	-	-	307,858
Ending fund balances	\$ 186,006	\$ -	\$ -	\$ 186,006

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

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF THE PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**JUNE 30, 2023**

**Net change in fund balances - total governmental funds (page 11)** **\$ (121,852)**

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

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

Expenditures for capital assets	25,033	
Less current year depreciation	(140,736)	
Capital outlays not meeting threshold for capitalization	(19,433)	
Net Adjustment	(135,136)	(135,136)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(344,160)
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The issuance of long term debt (e.g., bonds, leases) provides current financial  
debt consumes the current financial resources of governmental funds.  
Neither transaction, however, has any effect on net position resources to  
governmental funds, while the repayment of the principal of long term.

Repayment of long-term debt	420,901	
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<b>Change in net position of governmental activities (page 8)</b>	<b>\$ (180,247)</b>	
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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**A. Reporting Entity**

Academy for Positive Learning, Inc. (the Academy) operates as a Charter School pursuant to a Charter School Contract (the Contract) with 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 under Florida Statutes 228.056(7) as a Charter School Contract with Palm Beach County District School Board, Florida. Under the Charter, the Academy provides education to children from the sixth through the eighth grade in Palm Beach County. In April 2014, the Academy's charter was amended to permit the Academy to operate a charter school for grades six through twelve. The Charter Contract was renewed and is now effective through June 30, 2025. On August 9, 2023, the Academy's Board of Directors elected to terminate its Charter Contract with the District effective immediately.

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. The Academy is a component unit of the District.

**B. Government-Wide Financial Statements**

The government-wide financial statements consist of a statement of net position 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.

In the government-wide statement of net position, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all current and noncurrent assets and all current and noncurrent liabilities. The Academy's net position is reported in two (2) categories: investment in capital assets and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of each of the Academy's functions. The net costs, by function, are supported by general revenues. The statement of activities reduces gross expenses by related program revenues. Program revenues must be directly associated with the function. Operating grants include operating- specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

**C. Fund Financial Statements**

The Academy's accounts are organized on the basis of funds. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund balance, revenues and expenditures.

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.

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**C. Fund Financial Statements (continued)**

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 of the Academy's funds were deemed major funds even if the respective fund did not meet the percentage criteria. A reconciliation is provided that converts the results of governmental fund accounting to the government - wide presentation.

**D. 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 when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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 (60) days. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

The Academy's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund balance, 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 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.

**C. Budgetary Basis of Accounting**

The Academy's annual budgets are adopted for the entire operations of 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 of revenues over expenditures presented in conformity with GAAP is set forth in the adjustments to the required supplementary information.

**D. Deposits and Investments**

The Academy's cash is considered to be cash on hand and demand deposits, with maturities of three months or less.

**E. 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 acquisition values at the date of donation. As of June 30, 2023, the Academy carried net capital assets of \$ 39,244.

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**E. Capital Assets (Continued)**

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

Asset Type	Estimated Useful Lives
Right-to-use lease asset	4
Furniture, fixture 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.

**F. Equity Classifications**

Government-wide financial statements

Equity is classified as net position and displayed in three (3) components:

- Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – consists of components of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – all other components of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance

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

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

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**G. 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 State funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for leasing school facilities.

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.

**H. 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, deferred inflows of resources, liabilities, deferred outflows of resources, 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.

**I. Income Taxes**

The Academy is a nonprofit corporation whose revenues are derived primarily from governmental entities and is also controlled by a governmental entity (the District). The Academy is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and is subject to a tax on income from any unrelated business. The Academy did not have any unrelated business income for fiscal year ended June 30, 2023.

The Academy adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more likely- than-not be sustained upon examination by taxing authorities. The Academy has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Academy believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Academy's financial condition, results of operations or cash flows. Accordingly, the Academy has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2023.

The Academy is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Academy believes it is no longer subject to income tax examinations for years prior to 2020.

The Academy's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Fund Accounting Requirements

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. The Academy, like any other state and local government, uses fund accounting to ensure and demonstrate compliance with finance related requirement, bond covenants, and segregation for management purposes. The Academy has various restrictions placed over certain revenue sources from federal, state, or local requirements.

Excesses of expenditures over appropriations

For the fiscal year ended June 30, 2023, expenditures exceeded appropriations in the General Fund for the following departments: repayment of principal \$122,289 and interest \$21,712. These over-expenditures were due to the implementation of GASB 87 occurring after the budgeting process for FY2023.

**NOTE 3 – 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 a bank 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, 2023, the Academy had no uninsured bank deposit balances.

**NOTE 4 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
<u>Governmental activities:</u>				
Capital assets being depreciated:				
Right-to-use asset leased building	497,713	-	(497,713)	-
Furniture, fixtures & equipment	62,138	5,600	-	67,738
Leasehold improvements	127,209	-	(127,209)	-
Total assets being depreciated	687,060	5,600	(624,922)	67,738
Less Accumulated depreciation for:				
Right-to-use asset leased building	(124,428)	(124,428)	248,856	-
Furniture, fixtures & equipment	(24,298)	(4,196)	-	(28,494)
Leasehold improvements	(19,794)	(12,112)	31,906	-
Total accumulated depreciation	(168,520)	(140,736)	280,762	(28,494)
Total capital assets being depreciated, net	518,540	(135,136)	(344,160)	39,244
Total governmental activities capital assets, net	<u>\$ 518,540</u>	<u>\$ (135,136)</u>	<u>\$ (344,160)</u>	<u>\$ 39,244</u>

Provision for depreciation and amortization was charged to functions/programs of the Academy as follows:

Instruction	\$ 3,655
School administration	541
Operation of plant	136,540
Total depreciation expense - governmental activities	<u>\$ 140,736</u>

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 – NONCURRENT LIABILITIES**

The following is a summary of changes in long-term liabilities of the Academy for governmental activities for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
<b>Governmental Activities:</b>					
Line of Credit	\$ 27,050	\$ -	\$ (20,513)	\$ 6,537	\$ 6,537
Lease liability	400,388	-	(400,388)	-	-
Total	<u>\$ 427,438</u>	<u>\$ -</u>	<u>\$ (420,901)</u>	<u>\$ 6,537</u>	<u>\$ 6,537</u>

Lease liability

In June 1, 2020, the Academy entered into a 3-year lease for use of the school campus. The lease has a maturity date of May 30, 2023 and no renewal was performed. As of June 30, 2023, the value of the lease liability is \$ 0. The lease has an imputed interest rate of 5.00%.

Line of Credit

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.

Debt service requirements to maturity for the fiscal year ended June 30, 2023 are summarized as follows:

<b>Fiscal Year</b>			
<b>Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 6,537	\$ 107	\$ 6,644
	\$ 6,537	\$ 107	\$ 6,644

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

Funding

The Academy receives funding from the District which is received from the State of Florida that is based, in part on a computation of the number of full time equivalent (FTE) students enrolled in the Academy. The accuracy of the data provided by the Academy supporting the FTE count is subject to state audit and, if found to be in error, could result in refunds or in decreases in future funding allocations.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable school.

It is the opinion of management that the amount of revenue which may be remitted back to the State due to errors in the FTE count or amount of grant expenditures which may be disallowed by granting agencies, if any, will not be material to the financial position of the Academy.

**NOTE 7 – 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. There have been no claims in excess of insurance coverage limits during the past three years.

**NOTE 8 – SUBSEQUENT EVENTS**

On August 9, 2023 the Academy's Board of Directors elected to voluntarily terminate their charter school contract with Palm Beach County District School Board.

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## REQUIRED SUPPLEMENTARY INFORMATION

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**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF THE PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(UNAUDITED)**

	Budgeted amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<b>Revenues</b>				
State passed through local school district	\$ 933,123	\$ 827,884	\$ 827,884	\$ -
Other revenue	151,750	235,095	235,095	-
Total revenues	1,084,873	1,062,979	1,062,979	-
<b>Expenditures</b>				
Instruction	400,545	381,097	381,097	-
Pupil personnel services	11,000	35,685	35,685	-
Instructional staff training	4,200	189	189	-
Board expenses	20,800	35,942	35,942	-
General	43,331	39,587	39,587	-
School administration	261,959	236,086	236,082	4
Facilities acquisition & construction	87,989	160,899	16,899	144,000
Fiscal services	10,100	11,759	11,759	-
Food services	13,951	12,859	12,859	-
Operation of plant	117,678	156,094	156,094	-
Maintenance of plant	5,000	21,603	21,603	-
Community services	26,934	42,915	42,915	-
Debt service:				
Repayment of principal	21,600	25,086	147,375	(122,289)
Interest	-	-	21,712	(21,712)
Capital outlay	6,000	25,033	25,033	-
Total expenses	1,031,087	1,184,834	1,184,831	3
Revenues over Expenditures	53,786	(121,855)	(121,852)	(3)
Net Change in Fund Balance	<u>\$ 53,786</u>	<u>\$ (121,855)</u>	<u>(121,852)</u>	<u>\$ 3</u>
Fund Balance - beginning			307,858	
Fund Balance - ending			<u>\$ 186,006</u>	

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

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF THE PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**  
**(UNAUDITED)**

	Budgeted amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<b>Revenues</b>				
Federal passed through local school district	\$ 56,328	\$ 168,360	\$ 168,360	\$ -
Total revenues	56,328	168,360	168,360	-
<b>Expenditures</b>				
Instruction	56,328	168,360	168,360	-
Total expenses	56,328	168,360	168,360	-
Revenues over Expenditures	-	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - beginning			<u>-</u>	
Fund Balance - ending			<u><u>\$ -</u></u>	

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

**ACADEMY FOR POSITIVE LEARNING, INC.**  
**(A CHARTER SCHOOL AND COMPONENT UNIT OF PALM BEACH**  
**COUNTY DISTRICT SCHOOL BOARD, FLORIDA)**  
**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**JUNE 30, 2023**

**NOTE 1**

The Academy formally adopted a budget for the fiscal year ended June 30, 2023. Budgeted amounts may be amended by resolution or ordinance by the Academy Board. The budget has been prepared in accordance with the accounting principles generally accepted in the United States of America. A comparison of the actual results of operations to the budgeted amounts for the Academy is presented as required supplementary information.

**NOTE 2**

For the fiscal year ended June 30, 2023, there were supplemental appropriations of \$265,779 which were funded with additional federal and local sources received.

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## COMPLIANCE SECTION

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

To the Board of Directors  
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 Academy for Positive Learning, Inc. (the Academy), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated December 21, 2023.

**Report on 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 opinions 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 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. 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 or significant deficiencies may exist that were not 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2023-01.

**Academy's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Academy's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Academy's response was not subject 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 Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
Hollywood, Florida  
December 21, 2023

**ACADEMY FOR POSITIVE LEARNING, INC.  
(A CHARTER SCHOOL AND COMPONENT UNIT OF PALM BEACH  
COUNTY DISTRICT SCHOOL BOARD, FLORIDA)  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2023**

**CURRENT YEAR FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS**

**NONCOMPLIANCE**

**2023-01 Annual Financial Audit Report**

**Criteria**

Florida Statutes section 1002.33 states that charter schools shall have its final annual financial audit of its accounts and records completed within 30 days after notice of nonrenewal, closure, or termination by an independent certified public accountant retained by it and paid from its public funds. Additionally, the Charter Contract with Palm Beach County District School Board stipulates that financial statements are due by September 30<sup>th</sup> of each year.

**Condition**

The Academy did not complete its annual financial audit within 30 days after notice of non-renewal or by September 30, 2023.

**Cause**

There was a delay in the financial close and reporting procedures of the Academy due to management turnover.

**Effect**

The Academy is not in compliance with Florida Statute section 1002.33 and the Charter Contract.

**Recommendation**

We recommend that the Academy add additional controls to comply with annual financial audit requirements.

**Management's response**

The Academy will expedite the financial reporting process to ensure that the Academy's audit is completed in a timely manner to avoid delays.

## MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

### Report on the Financial Statements

We have audited the financial statements of Academy for Positive Learning, Inc. (the Academy), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 21, 2023.

### Auditors' Responsibility

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 and Chapter 10.850, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report which is dated December 21, 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/or 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, respectively.

### Financial Condition and Management

Section 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the Academy has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that the Academy did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the Academy'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. Our assessment was performed 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 Academy 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 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, the Academy's management and Palm Beach County District School Board and is not intended to be and should not be used by anyone other than these specified parties.

*Caballero Fierman Llerena & Garcia, LLP*

Caballero Fierman Llerena & Garcia, LLP  
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