Alachua Learning Academy Middle School

A middle school program of

Alachua Learning Center, Inc.

A Component Unit of the Alachua County District School Board

Financial Statements
And
Independent Auditors' Reports

June 30, 2026

KATTELL AND COMPANY, P.L.
Certified Public Accountants Serving the Nonprofit Community.

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Financial Statements and Independent Auditors' Reports

June 30, 2026

Alachua Learning Academy Middle School

A Component Unit of the Alachua County District School Board

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Alachua Learning Center, Inc.

October 15, 2026

Report on the Audit of the Financial Statements

Opinions

We have audited the special purpose financial statements of the governmental activities and each major fund of Alachua Learning Academy Middle School (the School), a middle school program of Alachua Learning Center, Inc., a component unit of the Alachua County District School Board, as of and for the year ended June 30, 2026, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*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 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.

Emphasis of Matter

Special Purpose Statements. As discussed in Note 1, the financial statements of the School are intended to present the financial position and changes in financial position of the governmental activities and each major fund of the School. They do not purport to, and do not, present fairly the financial position of the Alachua Learning Center, Inc., as of June 30, 2026, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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 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.

Report on the Audit of the Financial Statements (concluded)

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 GAAS 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 GAAS 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 management's discussion and analysis and budgetary comparison information 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 October 15, 2026, 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.

Kattell and Company, P.L.

"Not everything that counts can be counted, and not everything that can be counted counts."
-Albert Einstein

Management's Discussion and Analysis
June 30, 2026
Alachua Learning Academy Middle School
A Component Unit of the Alachua County District School Board

This discussion and analysis of the School's financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2026. Please read it in conjunction with the School's financial statements, which follow this section.

Alachua Learning Center, Inc. operates as two different schools, a middle school and an elementary school. Although this discussion and analysis is for the middle school alone, it should be noted that Alachua Learning Center, Inc. has elected to report all capital assets, and long-term debt, if any, in the financial statements of the middle school.

The following are various financial highlights for fiscal year 2026:

- The School's overall net position increased by $198,663, which is a 10% increase.
- Total ending unrestricted net position was $1,823,115.
- The School had total expenses for the year of $737,644 compared to revenues of $926,640 and a transfer in of $9,667.
- The School serves grades 6-8, educating 64 and 63 students, in the years ending June 30, 2026 and 2025, respectively.

OVERVIEW OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

CONDENSED FINANCIAL INFORMATION

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

	2026 Governmental Activities	2025 Governmental Activities
Net Position		
Assets:		
Non-capital Assets	$ 2,341,363	$ 2,623,030
Capital Assets, Net	421,898	449,941
Total Assets	2,763,261	3,072,971
Liabilities:		
Current Liabilities	403,298	906,267
Lease Liability	244,545	249,949
Total Liabilities	647,843	1,156,216
Net position:		
Net investment in Capital Assets	177,353	199,992
Restricted for Capital Outlay	114,950	62,105
Unrestricted	1,823,115	1,654,658
Total Net Position	$ 2,115,418	$ 1,916,755
Change in Net Position		
Program Revenues:		
Charges for Services	$ 210,434	$ 204,860
Operating Grants & Contributions	2,802	2,822
Capital Grants & Contributions	78,845	56,791
General Revenues:		
Federal	--	305,932
State	506,262	473,717
Local Revenue	128,297	160,642
Total Revenues	926,640	1,204,764
Program Expenses:		
Instruction	273,279	268,189
Instructional Support Services	14,219	13,117
General Support	315,608	453,168
Community Services	122,782	78,543
Interest	11,756	12,006
Total Expenses	737,644	825,023
Change in Net Position Before Transfer	188,996	379,741
Transfer from Elementary School	9,667	10,533
Change in Net Position	198,663	390,274
Beginning Net Position	1,916,755	1,526,481
Ending Net Position	$ 2,115,418	$ 1,916,755

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities. The governmental activities generated $292,081 in program revenues and $634,559 of general revenues, and incurred $737,644 of program expenses. There was also a transfer in of $9,667 from the Elementary School for its share of the costs of the land lease. This resulted in an increase in net position of $198,663.

Net position increased by $390,274 for the year ended June 30, 2025, due primarily to receipt of the Employee Retention Credit. This funding was not received in 2026.

THE SCHOOL'S INDIVIDUAL FUNDS

General Fund. The fund balance of the General Fund increased by $168,457 from $1,654,658 to $1,823,115. The School continues to be able to fund operation with surplus of revenues over expenditures.

Capital Projects Fund. The fund balance of the Capital Projects Fund increased by $52,845 from $62,105 to $114,950. The School used capital outlay funding to pay its lease, to make repairs, and to pay for insurance on capital facilities. Funds are being saved for future facilities improvements and expansion.

CAPITAL ASSETS AND DEBT ADMINISTRATION

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

Debt Administration. The School issued no new debt during the year and made scheduled payments on its lease liability. Please refer to the paragraph entitled *Land Lease* in the notes to the accompanying financial statements for more detailed information about the School's long-term debt policy.

ECONOMIC FACTORS

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

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Krishna Rivera, Director; PO Box 1389, Alachua, Florida 32616.

Statement of Net Position
June 30, 2026
Alachua Learning Academy Middle School
A Component Unit of the Alachua County District School Board

	Governmental Activities
Assets	
Cash	$ 706,425
Investments	1,618,429
Receivables	15,009
Prepaids	1,500
Capital Assets:	
Land Improvements	112,703
Depreciable Capital Assets, Net	309,195
Total Assets	2,763,261
Liabilities	
Accounts Payable	5,015
Salaries Payable	85,550
Due to Elementary School	312,733
Lease Liability	244,545
Total Liabilities	647,843
Net Position	
Net Investment in Capital Assets	177,353
Restricted for Capital Outlay	114,950
Unrestricted	1,823,115
Total Net Position	$ 2,115,418

See accompanying notes.

Statement of Activities
For the Year Ended June 30, 2026
Alachua Learning Academy Middle School
A Component Unit of the Alachua County District School Board

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Governmental Activities:					
Instruction	$ (273,279)	$ --	$ 2,802	$ --	$ (270,477)
Instructional Support Services	(14,219)	--	--	--	(14,219)
General Support	(315,608)	88,330	--	--	(227,278)
Community Services	(122,782)	122,104	--	67,089	66,411
Interest on Long-Term Debt	(11,756)	--	--	11,756	--
Total	$ (737,644)	$ 210,434	$ 2,802	$ 78,845	(445,563)

General Revenues:	
State Revenue:	
Florida Education Finance Program	500,921
Other State Revenues	5,341
Local Revenue:	
Local Tax Revenue	49,008
Investment Income	55,323
Other Local Revenue	23,966
Total General Revenues	**634,559**
Change in Net Position Before Transfer	**188,996**
Transfer from Elementary School	**9,667**
Change in Net Position After Transfer	**198,663**
Net Position – Beginning of Year	**1,916,755**
Net Position – End of Year	**$ 2,115,418**

See accompanying notes.

Balance Sheet – Governmental Funds
June 30, 2026
Alachua Learning Academy Middle School
A Component Unit of the Alachua County District School Board

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets			
Cash	$ 591,475	$ 114,950	$ 706,425
Investments	1,618,429	--	1,618,429
Receivables	15,009	--	15,009
Prepaids	1,500	--	1,500
Total Assets	**$ 2,226,413**	**$ 114,950**	**$ 2,341,363**
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	$ 5,015	$ --	$ 5,015
Salaries Payable	85,550	--	85,550
Due to Elementary School	312,733	--	312,733
Total Liabilities	403,298	--	403,298
Fund Balances:			
Non-spendable - Prepaids	1,500	--	1,500
Restricted	--	114,950	114,950
Unassigned	1,821,615	--	1,821,615
Total Fund Balances	1,823,115	114,950	1,938,065
Total Liabilities and Fund Balances	**$ 2,226,413**	**$ 114,950**	**$ 2,341,363**

See accompanying notes.

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

June 30, 2026

Alachua Learning Academy Middle School

A Component Unit of the Alachua County District School Board

Fund Balances – Total Governmental Funds	$ 1,938,065
Amounts reported for Governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the governmental funds:	
Capital Assets – Net of Accumulated Depreciation/Amortization	421,898
Long-term liabilities are not reported in the governmental funds:	
Principal portion of payments on lease liability	(244,545)
Net Position of Governmental Activities	$ 2,115,418

See accompanying notes.

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

For the Year Ended June 30, 2026

Alachua Learning Academy Middle School

A Component Unit of the Alachua County District School Board

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Federal:			
USAC E-Rate Grant	$ 2,802	$ --	$ 2,802
Federal through State:			
National School Lunch Program	49,769	--	49,769
State Revenue:			
Florida Education Finance Program	500,921	--	500,921
Public Education Capital Outlay	--	43,438	43,438
Other State Revenue	5,341	--	5,341
Local Revenue:			
Local Capital Improvement	--	35,407	35,407
Local Tax Revenue	49,008	--	49,008
Investment Income	55,323	--	55,323
Meal Service Revenue	38,561	--	38,561
After School Program	122,104	--	122,104
Other Local Revenues	23,966	--	23,966
Total Revenues	**847,795**	**78,845**	**926,640**
Expenditures and Changes in Fund Balances			
Expenditures:			
Current:			
Instruction	273,132	--	273,132
Instructional Support Services	14,219	--	14,219
General Support	269,205	--	269,205
Community Services	122,782	--	122,782
Capital Outlay	--	18,507	18,507
Debt Service:			
Principal	--	5,404	5,404
Interest	--	11,756	11,756
Total Expenditures	**679,338**	**35,667**	**715,005**
Excess of Revenues over Expenditures	**168,457**	**43,178**	**211,635**
Other Financing Sources:			
Transfer from Elementary School	--	9,667	9,667
Change in Fund Balances	**168,457**	**52,845**	**221,302**
Fund Balances, June 30, 2025	**1,654,658**	**62,105**	**1,716,763**
Fund Balances, June 30, 2026	**$ 1,823,115**	**$ 114,950**	**$ 1,938,065**

See accompanying notes.

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

For the Year Ended June 30, 2026

Alachua Learning Academy Middle School

A Component Unit of the Alachua County District School Board

Excess of Revenues over Expenditures – Total Governmental Funds	$ 221,302
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.	
Current year expenditures for capital assets:	--
Current year depreciation/amortization expense:	(28,043)
Issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. Repayment of principal is an expenditure in governmental funds, but reduces long-term liabilities in the Statement of Net Position.	
Principal portion of lease payments:	5,404
Change in Net Position of Governmental Activities	$ 198,663

See accompanying notes.

NOTE 1 – REPORTING ENTITY

Alachua Learning Center, Inc. (the Corporation) 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 Corporation operates an elementary school under the name "Alachua Learning Academy Elementary School" (Elementary School) and a middle school under the name "Alachua Learning Academy Middle School". These special purpose financial statements are those of the Alachua Learning Academy Middle School (the School) only. The governing body of the School is the Corporation's Board of Directors. The School is a program of the Corporation; the Corporation is considered a component unit of the Alachua County District School Board (the District).

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 current charter is effective until June 30, 2031, and may be renewed provided that a program review demonstrates that certain criteria addressed in Section 1002.33(7), Florida Statutes, have been successfully accomplished. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. Pursuant to Section 1002.33(8)(e), Florida Statutes, the charter school contract provides that in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds automatically revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide Financial Statements

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements (concluded)

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

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

Fund Financial Statements

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

The following funds are used by the School:

GOVERNMENTAL FUNDS

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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

Cash

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

Investments

Investments are reported at fair value.

Prepaids

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

Capital Assets and Depreciation/Amortization

Capital assets are defined by the School as assets with an initial, individual cost of $3,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost if purchased, at the net present value of future cash flows for leased assets, and at estimated fair value if acquired through a donation. All assets are depreciated or amortized using a straight-line basis. Land improvements are not depreciated. Leased assets are amortized over the shorter of the expected useful life of the leased asset or the lease term. Depreciable capital assets are depreciated using over their estimated useful lives.

Assets	Years
Lease Asset – Land	30
Buildings	25-30
Improvements	15
Furniture, Fixtures and Equipment	5-15
Computers and Software	3-4

Revenue Sources

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

Compensated Absences

The School's employees had no unused sick and vacation time at the end of the school year. Therefore, no liability for compensated absences is recorded.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Long-term Liabilities

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

Net Position

Net position represents the difference between assets and liabilities and, if applicable, is reported in three categories as hereafter described. *Net investment in capital assets* represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net position is reported as *restricted* when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. The balance of the net position is reported as *unrestricted*.

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

Fund Balance Classifications

Governmental funds report separate classifications of fund balance.

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

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

Committed. Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School's Board of Directors.

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

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

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

NOTE 3 – INVESTMENTS

The School's investments consist of the following:

	FDIC Insured	Uninsured	Total
Cash	$ 1,328	$ --	$ 1,328
Certificates of Deposit – Level II	340,000	263,415	603,415
Annuity Contract – Level II	--	1,013,686	1,013,686
Total	**$ 341,328**	**$ 1,277,101**	**$ 1,618,429**

Certificates of Deposit. The certificates of deposit (CDs) are held in two banks. Ratings agencies indicate that the bank with the uninsured CD holds a stable outlook with A or higher ratings. The value of the CDs is affected by changes in prevailing interest rates. Fair market value includes accrued interest and is measured using Level 2 inputs.

Annuity Contract. In November 2025, the School invested $1,000,000 in an annuity agreement with Jackson National Life Insurance Company (Jackson). Rating agencies indicate that Jackson holds a stable outlook with A or higher ratings. Half of the annuity value earns a guaranteed 4.4% interest; the other half earns a guaranteed minimum of 1% with a potential maximum of 8.1%, depending on the performance of the S&P 500 Index. Up to 10% of the annuity value may be withdrawn each contract year without penalty. Amounts in excess incur a withdrawal charge from 5.5% to 9%. Withdrawal charges are eliminated after 5 years. Annuities are valued at contract value which approximates fair value. Fair value is measured using Level 2 inputs.

Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

NOTE 4 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2026, was as follows:

	Balance June 30, 2025	Additions	Deletions	Balance June 30, 2026
Capital Assets not Being Depreciated/Amortized:				
Land Improvements	$ 103,703	$ --	$ --	$ 103,703
Construction in Progress	9,000	--	--	9,000
Capital Assets Being Depreciated/Amortized:				
Land Lease	275,217	--	--	275,217
Buildings	440,930	--	--	440,930
Improvements other than Buildings	212,234	--	11,245	200,989
Furniture, Fixtures & Equipment	270,314	--	68,239	202,075
Total Capital Assets	1,311,398	--	79,484	1,231,914
Accumulated Depreciation/Amortization:				
Land Lease	47,399	9,173	--	56,572
Buildings	333,401	17,610	--	351,011
Improvements other than Buildings	212,234	--	11,245	200,989
Furniture, Fixtures & Equipment	268,423	1,260	68,239	201,444
Total Accumulated Depreciation	861,457	28,043	79,484	810,016
Net Capital Assets	$ 449,941	$ (28,043)	$ --	$ 421,898

Depreciation and amortization were charged to functions/programs as follows:

Instruction	$ 147
General Support	27,896
Total Depreciation Expense	$ 28,043

NOTE 5 – LAND LEASE

The Corporation entered into a lease for the land used by the School and the Elementary School. The lease began May 1, 2020, specifies an end date of April 30, 2045, and includes an option to renew for an additional five years that the Corporation is reasonably certain to exercise. The School calculated a lease asset and lease liability of $275,217 for the present value of lease payments for the lease term. The School used an estimated incremental borrowing rate of 4.75% to compute the lease liability. The lease asset will be amortized on a straight-line basis for the lease term of 30 years. Changes in the lease liability follow:

	Balance June 30, 2025	Additions	Deductions	Balance June 30, 2026	Amount Due In 1 Year
Lease Liability	$ 249,949	$ --	$ 5,404	$ 244,545	$ 5,666

Principal and interest requirements on the lease liability are as follows:

Fiscal Years Ending June 30,	Principal	Interest	Total
2027	$ 5,666	$ 11,494	$ 17,160
2028	5,941	11,219	17,160
2029	6,230	10,930	17,160
2030	6,532	10,628	17,160
2031	6,850	10,310	17,160
2032	7,182	9,978	17,160
2033	7,531	9,629	17,160
2034-2038	43,509	42,291	85,800
2039-2043	55,142	30,658	85,800
2044-2048	69,891	15,909	85,800
2049-2050	30,071	1,387	31,458
Total	$ 244,545	$ 164,433	$ 408,978

The Elementary School will make annual transfers to the School for its proportionate share of the lease payments as determined by student attendance. The Elementary School transferred $9,667 for the year ended June 30, 2026, which amounted to 56% of the lease payments.

NOTE 6 – RISK MANAGEMENT

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

NOTE 7 – RETIREMENT BENEFIT

The School made payments on behalf of its employees to a 457(b) Deferred Compensation Plan. The School matches employee contributions up to five percent of each eligible employee's salary. The Board of Directors has the authority to amend or terminate this benefit. The Corporation paid $31,905, $26,256, and $19,768 in retirement benefits for the years ended June 30, 2026, 2025 and 2024, respectively.

NOTE 8 – CONTINGENCIES

The School is subject to occasional lawsuits and claims arising in the normal conduct of business. In the opinion of management, the ultimate disposition of these matters, if any, will not have a significant impact on the financial position of the School.

NOTE 9 – INTER-COMPANY TRANSACTIONS

The School pays all of the expenses for the Elementary School, which in turn reimburses the School. The amounts received offset the corresponding expenses of the School. Below is a breakdown of the associated costs:

Salaries and Payroll Taxes - Teachers and Administration	$ 766,528
Supplies and Curriculum	41,470
Contract Labor and Professional Fees	65,258
Occupancy	41,378
Insurance	17,512
Travel and Transportation	1,524
Total	$ 933,670

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2026

Alachua Learning Academy Middle School

A Component Unit of the Alachua County District School Board

	Budgeted Amounts		Variance with Original and Final	Actual Amounts	Variance with Final Budget and Actual
	Original	Final			
Revenues					
Revenues:					
Federal:					
USAC-Erate Grant	$ 2,822	$ 2,822	$ --	$ 2,802	$ (20)
Federal through State:					
National School Lunch Program	60,000	60,000	--	49,769	(10,231)
State Revenue:					
Florida Education Finance Program	464,922	464,922	--	500,921	35,999
Other State Revenue	6,220	6,220	--	5,341	(879)
Local Revenue:					
District School Taxes	41,558	41,558	--	49,008	7,450
Investment Income	104,534	104,534	--	55,323	(49,211)
Meal Service Revenue	35,717	35,717	--	38,561	2,844
After School Program	114,259	114,259	--	122,104	7,845
Other Local Revenue	18,639	18,639	--	23,966	5,327
Total Revenues	**848,671**	**848,671**	**--**	**847,795**	**(876)**
Expenditures and Changes in Fund Balances					
Expenditures:					
Current:					
Instruction	277,888	277,888	--	273,132	(4,756)
Instructional Support Services	13,249	13,249	--	14,219	970
General Support	409,613	409,613	--	269,205	(140,408)
Community Services	135,007	135,007	--	122,782	(12,225)
Total Expenditures	**835,757**	**835,757**	**--**	**679,338**	**(156,419)**
Change in Fund Balance	**12,914**	**12,914**	**--**	**168,457**	**155,543**
Fund Balances, July 1, 2025	**--**	**--**	--	**1,654,658**	**1,654,658**
Fund Balances, June 30, 2026	**$ 12,914**	**$ 12,914**	**$ --**	**$ 1,823,115**	**$ 1,810,201**

Notes:

An annual Budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. The fund is the legal level of control.

The School did not amend its budget during the year; therefore, there are no differences between the original and final budgets.

Final Budget to Actual Variances:

- The School budgeted conservatively with respect to General Support expenses and per pupil revenues.
- The School transferred investments to the Elementary School to pay down its intercompany debt. As a result, the Middle School recognized fewer investment earnings than originally budgeted while the Elementary School earned higher investment returns than originally budgeted.
- The School's budget did not include a line item for beginning fund balances.

Kattell and Company, P.L.
Certified Public Accountants Serving the Nonprofit Community
808-B NW 16th Avenue Gainesville, Florida 32601 352-395-6565 kattell.com

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

October 15, 2026

To the Board of Directors
Alachua Learning Center, Inc.

We have audited the special purpose financial statements of Alachua Learning Academy Middle School (the School), a program of Alachua Learning Center, Inc., for the year ended June 30, 2026, and have issued our report thereon dated October 15, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated September 3, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

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

Accounting Estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Disclosures. There are no disclosures that are particularly sensitive.

Corrected and Uncorrected Misstatements. Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have communicated all known and likely adjustments to management. All material adjustments were reflected in the financial statements of the School.

Our Working Relationship with Management

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

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

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

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

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

* * * * * * * *

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

Very truly yours,

Kattell and Company, P.L.

Kattell and Company, P.L.
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MANAGEMENT LETTER

To the Board of Directors,
Alachua Learning Center, Inc.

October 15, 2026

Report on the Financial Statements. We have audited the financial statements of Alachua Learning Academy Middle School (the School), as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated October 15, 2026.

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

Other Reports and Schedules. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards* and Schedule of Findings. Disclosures in that report and schedule, which are dated October 15, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings. Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In that regard, there were no findings from the prior year that are reported for the year ended June 30, 2026.

Official Title. Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Alachua Learning Academy Middle School, and the school code assigned by the Florida Department of Education is 01-1011.

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency. Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine 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 had not maintained on its website all of the information specified in Section 1002.33(9)(p), Florida Statutes on September 10, 2026, the date of our procedures. See Finding 2026-001.

Additional Matters. Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address 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 note any such findings.

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

* * * * * * *

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

Kattell and Company, P.L.

Kattell and Company, P.L.
Certified Public Accountants Serving the Nonprofit Community
808-B NW 16th Avenue Gainesville, Florida 32601 352-395-6565 kattell.com

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

Board of Directors of
Alachua Learning Center, Inc.

October 15, 2026

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Alachua Learning Academy Middle School (the School), as of and for the year ended June 30, 2026, and the related notes to financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 15, 2026.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

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

School's Response to Finding

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

Purpose of this Report

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

* * * * * * *

As required by the Rules of the Auditor General of the State of Florida, we noted certain matters that we reported to management of the School in the management letter dated October 15, 2026.

Kattell and Company, P.L.

Schedule of Findings
June 30, 2026
Alachua Learning Academy Middle School
A Component Unit of the Alachua County District School Board

2026-001 Transparency

The School did not maintain on its website all of the information required by Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General.

ALACHUA LEARNING ACADEMY
Elementary & Middle School
Established 1999

Alachua Learning Academy Middle School Audit 6/2026

10/15/2026

Kattel and Company, P.L.
808-B NW 16th Ave
Gainesville, FL 32601

We have received the results of the June 30, 2026 audit report of our school conducted by your firm.

We will make the following adjustments:

- 2026-001 - The school will maintain on its website all of the information required by Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General.

We appreciate your professionalism and look forward to working with you again.

Sincerely,

KP Rivera
Administrative Director