

Healthy Learning Academy

Audit Report

June 30, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Healthy Learning Academy

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Healthy Learning Academy (the "School"), a component unit of the Alachua County District School Board, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the School, as of June 30, 2013, 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.

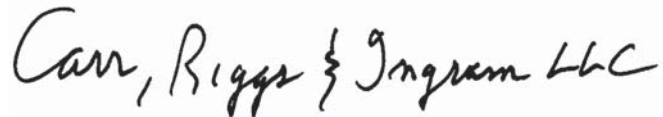
Other Matter

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2013, 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 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 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.



Gainesville, Florida
October 11, 2013

Management's Discussion and Analysis

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, 2013. Please read it in conjunction with the School's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2013:

- The School's overall net position increased by \$46,793.
- Total ending unrestricted net position was \$63,766.
- The School had total expenses for the year of \$515,790 compared to revenues of \$562,583.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The first financial statement is the Statement of Net Position. This statement includes all of the School's assets and 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.

- Governmental funds – These 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 governmental fund's financial position. A reconciliation is provided with these statements, which helps to explain the difference between the fund financial statements and the government-wide financial statements.

The School maintains two governmental funds. The General Fund is considered to be a major fund and, accordingly, is separately displayed.

Management's Discussion and Analysis

<i>June 30,</i>	2013	2012
Net position		
Assets:		
Non-capital assets	\$ 70,218	\$ 29,221
Capital assets, net	424,183	425,735
Total assets	494,401	454,956
Liabilities:		
Current liabilities	6,452	5,091
Noncurrent liabilities	346,171	354,880
Total liabilities	352,623	359,971
Net position:		
Net investment in capital assets	78,012	70,855
Unrestricted	63,766	24,130
Total net position	\$ 141,778	\$ 94,985
Change in net position		
Program revenues:		
Charges for services	\$ 49,340	\$ -
Capital grants and contributions	20,354	22,609
General revenues:		
Florida Education Finance Program	477,706	373,485
Unrestricted grants & contributions	15,183	13,071
Total revenues	562,583	409,165
Expenses:		
Instruction	334,642	290,143
Instructional support services	9,940	26,360
General support	146,902	82,461
Community services	1,796	1,504
Interest on long-term debt	22,510	10,516
Total expenses	515,790	410,984
Change in net position	46,793	(1,819)
Beginning net position	94,985	96,804
Ending net position	\$ 141,778	\$ 94,985

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$492,889 of general revenues and \$69,694 of program revenues, and incurred \$515,790 of program expenses. This resulted in a \$46,793 increase in net assets.

THE SCHOOL'S INDIVIDUAL FUNDS

General Fund

The General Fund's fund balance increased by \$39,636.

BUDGETARY HIGHLIGHTS – GENERAL FUND

There were no significant changes in the budget during the year except that the budget was amended to reflect revenues and expenditures associated with the extended day enrichment program. Actual expenditures were less than the budgeted amount in the General Fund by \$22,861.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Please refer to a note to the accompanying financial statements entitled *Capital Assets and Depreciation* for detailed information about the School's capital asset activity.

Please refer to a note to the accompanying financial statements entitled *Long-Term Liabilities* for detailed information about the School's long-term debt activity.

ECONOMIC FACTORS

We are not aware of any factors that may significantly impact the School's financial condition.

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 Healthy Learning Academy, 13505 West Newberry Road, Newberry, Florida 32669, 352-372-2279.

Healthy Learning Academy

Statement of Net Position

<i>June 30,</i>	2013
Governmental Activities	
Assets	
Cash and cash equivalents	\$ 65,684
Prepays	4,534
Capital assets:	
Nondepreciable capital assets	190,723
Depreciable capital assets, net	233,460
Total assets	494,401
Liabilities	
Accounts payable	6,452
Noncurrent liabilities:	
Due within one year	7,611
Due in more than one year	338,560
Total liabilities	352,623
Net position	
Net investment in capital assets	78,012
Unrestricted	63,766
Total net position	\$ 141,778

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Healthy Learning Academy

Statement of Activities

Year ended June 30,

2013

	Expenses	Program Revenues			Net (expense) revenue & changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Functions/programs					
Instruction	\$ 334,642	\$ 49,340	\$ -	\$ -	\$ (285,302)
Instructional support services	9,940	-	-	-	(9,940)
General support	146,902	-	-	20,354	(126,548)
Community services	1,796	-	-	-	(1,796)
Interest on long-term debt	22,510	-	-	-	(22,510)
Total	\$ 515,790	\$ 49,340	\$ -	\$ 20,354	(446,096)

General revenues

Florida Education Finance Program	477,706
Unrestricted grants and contributions	15,183
Total general revenues	492,889
Change in net position	46,793
Net position – July 1, 2012	94,985
Net position – June 30, 2013	\$ 141,778

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Healthy Learning Academy

Balance Sheet – Governmental Funds

June 30,

2013

	General fund	Other governmental fund	Total governmental funds
Assets			
Cash and cash equivalents	\$ 65,684	\$ -	\$ 65,684
Prepays	4,534	-	4,534
Total assets	\$ 70,218	\$ -	\$ 70,218
Liabilities and fund balances			
Liabilities:			
Accounts payable	\$ 6,452	\$ -	\$ 6,452
Fund balances:			
Nonspendable:			
Prepays	4,534	-	4,534
Unassigned	59,232	-	59,232
Total fund balances	63,766	-	63,766
Total liabilities and fund balances	\$ 70,218	\$ -	\$ 70,218

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Reconciliation of the Balance Sheet to the Statement of Net Position

<i>June 30,</i>	2013
Fund balance - total governmental funds	\$ 63,766
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	424,183
Long-term liabilities are not reported in the governmental funds.	
Notes payable	(346,171)
<u>Net position of governmental activities</u>	<u>\$ 141,778</u>

The accompanying "Notes to Financial Statements" form an integral part of this statement.

Healthy Learning Academy

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

<i>Year ended June 30,</i>	2013		
	General fund	Other governmental fund	Total governmental funds
Revenues			
Florida Education Finance Program	\$ 477,706	\$ -	\$ 477,706
Public Education Capital Outlay	-	20,354	20,354
Other state revenue	2,803	-	2,803
Other local revenue	61,720	-	61,720
Total revenues	542,229	20,354	562,583
Expenditures			
Current:			
Instruction	332,835	-	332,835
Instructional support services	9,940	-	9,940
General support	140,207	-	140,207
Community services	1,796	-	1,796
Capital outlay	6,950	-	6,950
Debt service:			
Principal retirement	1,472	7,237	8,709
Interest and fiscal charges	9,393	13,117	22,510
Total expenditures	502,593	20,354	522,947
Excess of revenues over expenditures	39,636	-	39,636
Fund balances, July 1, 2012	24,130	-	24,130
Fund balances, June 30, 2013	\$ 63,766	\$ -	\$ 63,766

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Healthy Learning Academy

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

<i>Year ended June 30,</i>	2013
Excess of revenues over expenditures - total governmental funds	\$ 39,636
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.	
Capital asset acquisitions	5,143
Current year depreciation expense	(6,695)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment does not effect net position of governmental activities.	
Principal payments	8,709
<u>Change in net position of governmental activities</u>	<u>\$ 46,793</u>

The accompanying "Notes to Financial Statements"
form an integral part of this statement.

Healthy Learning Academy
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Healthy Learning Academy conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

Healthy Learning Academy, Inc. is a not-for-profit corporation organized in 2004 pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The not-for-profit corporation conducts business as Healthy Learning Academy (the “School”). The governing body of the School is the not-for-profit corporation’s Board of Directors, which is composed of five members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the Alachua County District School Board (the “District”). The current charter is effective until June 30, 2015. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least 90 days prior to the charter’s expiration. Pursuant to Section 1002.33(8)(e), Florida Statutes, the charter school contract provides that in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds automatically revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

Criteria for determining if other entities are potential component units of the School which should be reported with the School’s basic financial statements are identified and described in the Governmental Accounting Standards Board’s (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provide 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.

Reporting Model

The School follows GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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: invested in capital assets, net of related debt; 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 and report all financial resources not accounted for and reported in another fund.

Capital Projects Fund – The Capital Projects Fund is primarily used to account for and report financial resources restricted to capital uses.

In the accompanying fund financial statements, the General Fund is considered to be a major fund and, therefore, is separately displayed. Since the Capital Projects Fund is not a major fund, data from this fund is displayed as Other Governmental Fund.

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.

Healthy Learning Academy
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The 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.

The School's revenues are considered to be susceptible to accrual and have been recognized in the current fiscal period. Certain other revenue items are sometimes considered to be measurable and available only when cash is received.

Cash and Cash Equivalents

The School deposits its temporarily idle resources in financial institutions. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. At June 30, 2013, no funds were held in excess of FDIC insurance coverage.

Capital Assets and Depreciation

Capital assets are defined by the School as assets with an initial, individual cost of \$1,000 or more and an estimated useful life of more than one year. These assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture, Fixtures and Equipment	5
Buildings	10-39

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 full-time equivalent (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 Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences

The School does not pay for employees' unused sick time and vacation time does not accumulate. Therefore, no liability for compensated absences is recorded.

Net Position

Net position represents the difference between assets and liabilities and is reported in three categories as hereafter described. Net position *invested 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 its use by legislation, or external restrictions imposed by other governments, creditors, or grantors. *Unrestricted* net position is net position that does not meet the definitions of the classifications previously described.

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

Fund Balance

The School follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Fund balance classifications are described below:

Nonspendable Fund Balance – Nonspendable fund balances are 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 Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the School's highest level of decision-making authority, which is a resolution of the Board of Directors. Committed amounts cannot be used for any other purpose unless the School removes those constraints by taking the same type of action.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the School’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Board of Directors or (b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund.

The School’s policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

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.

NOTE 2 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Capital assets not being depreciated:				
Construction in process	\$ 37,127	\$ 3,495	\$40,622	\$ -
Land	190,723	-	-	190,723
Total capital assets not being depreciated	227,850	3,495	40,622	190,723
Capital assets being depreciated:				
Buildings	199,434	40,622	-	240,056
Furniture, fixtures and equipment	81,167	1,648	-	82,815
Total capital assets being depreciated	280,601	42,270	-	322,871
Total capital assets	508,451	45,765	40,622	513,594
Accumulated depreciation:				
Buildings	(3,145)	(6,182)	-	(9,327)
Furniture, fixtures and equipment	(79,571)	(513)	-	(80,084)
Total accumulated depreciation	(82,716)	(6,695)	-	(89,411)
Net capital assets	\$425,735	\$ 39,070	\$40,622	\$ 424,183

Depreciation of \$6,695 was charged to General Support.

Healthy Learning Academy
Notes to Financial Statements

NOTE 3 – LONG-TERM LIABILITIES

At June 30, 2013, the School's long-term liabilities consisted of the following:

\$319,278 note payable in monthly installments of \$2,165 with 6.25% financing, maturing December 2019 with a balloon payment of \$271,347, collateralized by real property.

\$26,893 note payable in monthly installments of \$263 with 6.25% financing, maturing December 2019 with a balloon payment of \$17,438, collateralized by real property.

Future debt service requirements are as follows:

Year ending June 30,	Principal	Interest	Total
2014	\$ 7,611	\$ 21,518	\$ 29,129
2015	8,100	21,029	29,129
2016	8,622	20,507	29,129
2017	9,176	19,953	29,129
2018	9,767	19,363	29,130
2019-2020	302,895	23,719	326,614
	\$ 346,171	\$ 126,089	\$ 472,260

NOTE 4 – CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013	Due Within One Year
Notes payable	\$ 354,880	\$ -	\$ 8,709	\$ 346,171	\$ 7,611

NOTE 5 – 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.

Healthy Learning Academy
Notes to Financial Statements

NOTE 6 – PENSION PLAN

The School maintains a 403(b) defined contribution pension plan. All employees are eligible for the Plan and may contribute the maximum amount permitted by law. The School and employees made contributions of \$9,700 and \$2,400, respectively, to the Plan during the year ended June 30, 2013.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent to June 30, 2013, the School borrowed approximately \$50,000 to finance improvements made to the School's facilities.

Required Supplementary
Information

Healthy Learning Academy

Budgetary Comparison Schedule - General Fund

Year ended June 30,

2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Florida Education Finance Program	\$ 472,064	\$ 477,706	\$ 477,706	\$ -
Other state revenue	-	1,953	2,803	850
Other local revenue	42,300	63,230	61,720	(1,510)
Total revenues	514,364	542,889	542,229	(660)
Expenditures				
Current:				
Instruction	320,106	351,494	332,835	18,659
Instructional support services	4,241	5,904	9,940	(4,036)
General support	138,155	145,993	140,207	5,786
Community service	2,000	2,000	1,796	204
Capital outlay	1,200	1,200	6,950	(5,750)
Debt service:				
Principal retirement	2,268	1,472	1,472	-
Interest & fiscal charges	9,732	17,391	9,393	7,998
Total expenditures	477,702	525,454	502,593	22,861
Excess of revenues over expenditures	36,662	17,435	39,636	22,201
Fund balance, July 1, 2012	-	-	24,130	24,130
Fund balance, June 30, 2013	\$ 36,662	\$ 17,435	\$ 63,766	\$ 46,331

Notes to Budgetary Comparison Schedule

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

Additional Elements Required
by the Rules of the Auditor
General

MANAGEMENT LETTER

To the Board of Directors
Healthy Learning Academy

We have audited the financial statements of Healthy Learning Academy (the "School"), as of and for the fiscal year ended June 30, 2013, and have issued our report thereon dated October 11, 2013. That report should be considered in conjunction with this management letter.

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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of charter school audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

The Rules of the Auditor General require that we comment as to whether corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. The School has no uncorrected prior audit findings that are required to be identified pursuant to the Rules of the Auditor General.

Financial Condition

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.503, Florida Statutes, "Determination of Financial Emergency". In connection with our audit, we determined that the School has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

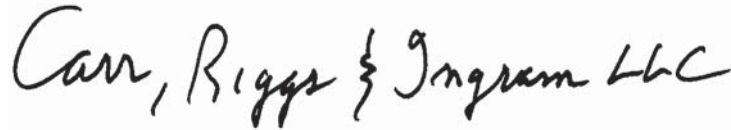
Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year pursuant to Rule 10.855(11). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.854.

Other Matters

Our audit did not reveal any other matters that we are required to include in this management letter.

The purpose of this management letter is solely to comply with the requirements of Chapter 10.850, Rules of the Auditor General. Accordingly, this communication is not suitable for any other purpose.

We wish to take this opportunity to thank you and your staff 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 other matters.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

Gainesville, Florida
October 11, 2013

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

To the Board of Directors
Healthy Learning Academy

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, the major fund, and the aggregate remaining fund information of the Healthy Learning Academy (the “School”), a component unit of the Alachua County District School Board, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated October 11, 2013.

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) to determine 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 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.

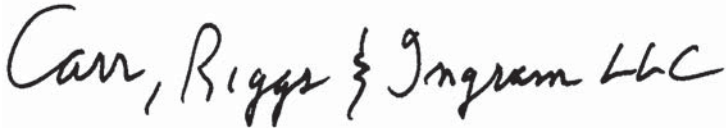
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram LLC". The signature is written in a cursive, flowing style.

Gainesville, Florida
October 11, 2013