HEALTHY LEARNING ACADEMY, INC.

A Component Unit of the Alachua County District School Board

Financial Statements
And
Independent Auditors' Reports

June 30, 2025

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

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FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

JUNE 30, 2025

HEALTHY LEARNING ACADEMY, INC.

A Component Unit of the Alachua County District School Board

Contents

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Healthy Learning Academy, Inc.

October 8, 2025

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Healthy Learning Academy, Inc. (the School), a component unit of the Alachua County District School Board, as of and for the year ended June 30, 2025, 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, 2025, 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.

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.

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.

To the Board of Directors
Healthy Learning Academy, Inc.

October 8, 2025

Report on the Audit of the Financial Statements (concluded)

Auditors' Responsibilities for the Audit of the Financial Statements (concluded)

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 8, 2025 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.

Gainesville, Florida

Management's Discussion and Analysis
June 30, 2025
Healthy Learning Academy, Inc.
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, 2025. Please read it in conjunction with the School's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2025:

- The School's overall net position decreased by approximately $47,000 which is approximately 11%.
- Unrestricted net position at June 30, 2025, was 12,135.
- The School had total expenses for the year of approximately $1,231,000, compared to revenues of approximately $1,184,000.
- The School educated 106 and 107 students in 2025 and 2024, in grades K through 5, respectively.

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.

The School maintains two individual governmental funds, the General Fund and Capital Projects Fund. These funds 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 governmental 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.

	2025 Governmental Activities	2024 Governmental Activities
Net Position		
Assets:		
Non-Capital Assets	$ 73,765	$ 147,561
Capital Assets, Net	500,499	514,812
Total Assets	574,264	662,373
Liabilities:		
Current Liabilities	27,824	41,389
Noncurrent Liabilities	161,162	189,205
Total Liabilities	188,986	230,594
Net Position:		
Net Investment in Capital Assets	339,337	325,607
Restricted for Capital Outlay	33,806	17,821
Unrestricted	12,135	88,351
Total Net Position	$ 385,278	$ 431,779
Change in Net Position		
Program Revenues:		
Charges for Services	$ 114,315	$ 125,184
Capital Grants & Contributions	95,730	76,125
General Revenues:		
CARES Act/ESSER	--	51,173
Other Federal through State Revenue	2,607	6,273
Florida Education Finance Program	857,205	844,210
Other State Revenues	16,360	19,436
Local Tax Revenue	94,958	97,421
Other Revenues	3,163	4,205
Total Revenues	1,184,338	1,224,027
Program Expenses:		
Instruction	805,274	773,263
Instructional Support Services	69,358	65,647
General Support Services	348,176	313,973
Community Services	420	2,391
Interest on Long-Term Debt	7,611	8,582
Total Expenses	1,230,839	1,163,856
Change in Net Position	(46,501)	60,171
Beginning Net Position	431,779	371,608
Ending Net Position	$ 385,278	$ 431,779

Management's Discussion and Analysis
June 30, 2025
Healthy Learning Academy, Inc.
A Component Unit of the Alachua County School Board

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities. The governmental activities generated $210,045 in program revenues and $974,293 of general revenues, and incurred $1,230,839 of program expenses. This resulted in a $46,501 decrease in net position.

THE SCHOOL'S INDIVIDUAL FUNDS

General Fund. The fund balance of the General Fund has decreased by $76,216, from $88,351 to $12,135.

Capital Projects Fund. The fund balance of the Capital Projects Fund has increased by $15,985, from $17,821 to $33,806. Revenues for the year exceeded the amount expended on eligible costs.

BUDGETARY HIGHLIGHTS

General Fund. There were no significant differences between the original budget and the final budget. There were no differences between the final budget and actual amounts.

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 made scheduled payments on its existing debt and entered into no new debt agreements during the year. Please refer to a note to the accompanying financial statements entitled *Long Term Liabilities* for more detailed information about the School's long-term debt activity.

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 Renee Long (Principal), Healthy Learning Academy, 13505 West Newberry Road, Newberry, Florida 32669.

Statement of Net Position

June 30, 2025

Healthy Learning Academy, Inc.

A Component Unit of the Alachua County District School Board

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 45,005
Receivables	23,546
Prepaid Expense	5,214
Capital Assets:	
Non-Depreciable Capital Assets	190,723
Depreciable Capital Assets, Net	309,776
Total Assets	574,264
Liabilities	
Accounts Payable	18,241
Accrued Expense	9,583
Long-Term Liabilities:	
Due Within One Year	29,411
Due in More Than One Year	131,751
Total Liabilities	188,986
Net Position	
Net Investment in Capital Assets	339,337
Restricted for Capital Outlay	33,806
Unrestricted	12,135
Total Net Position	$ 385,278

See accompanying notes.

Statement of Activities
For the Year Ended June 30, 2025
Healthy Learning Academy, Inc.
A Component Unit of the Alachua County District School Board

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
Functions/Programs:					
Governmental Activities:					
Instruction	$ (805,274)	$ 114,315	$ --	$ --	$ (690,959)
Instructional Support Services	(69,358)	--	--	--	(69,358)
General Support Services	(348,176)	--	--	88,119	(260,057)
Community Service	(420)	--	--	--	(420)
Interest on Long-Term Debt	(7,611)	--	--	7,611	--
Total	$ (1,230,839)	$ 114,315	$ --	$ 95,730	(1,020,794)

General Revenues:	
Federal through State:	
Title IV	2,607
State Revenue:	
Florida Education Finance Program	857,205
Other State Revenues	16,360
Local Tax Revenue	94,958
Unrestricted Grants and Contributions	3,163
Total General Revenues	**974,293**
Change in Net Position	**(46,501)**
Net Position – Beginning of Year	**431,779**
Net Position – End of Year	**$ 385,278**

See accompanying notes.

Balance Sheet – Governmental Funds

June 30, 2025

Healthy Learning Academy, Inc.

A Component Unit of the Alachua County District School Board

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets			
Cash	$ 16,434	$ 28,571	$ 45,005
Receivables	18,311	5,235	23,546
Prepaids	5,214	--	5,214
Total Assets	**$ 39,959**	**$ 33,806**	**$ 73,765**
Liabilities and Fund Balances			
Liabilities:			
Accounts Payable	$ 18,241	$ --	$ 18,241
Accrued Expense	9,583	--	9,583
Total Liabilities	27,824	--	27,824
Fund Balances:			
Non-Spendable Prepaids	5,214	--	5,214
Unassigned	6,921	33,806	40,727
Total Fund Balances	12,135	33,806	45,941
Total Liabilities and Fund Balances	**$ 39,959**	**$ 33,806**	**$ 73,765**

See accompanying notes.

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

June 30, 2025

Healthy Learning Academy, Inc.

A Component Unit of the Alachua County District School Board

Fund Balances – Total Governmental Funds	$ 45,941
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	500,499
Long-term liabilities are not reported in the governmental funds.	
Notes Payable	(161,162)
Net Position of Governmental Activities	$ 385,278

See accompanying notes.

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

For the Year Ended June 30, 2025

Healthy Learning Academy, Inc.

A Component Unit of the Alachua County District School Board

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Federal through State:			
Title IV	$ 2,607	$ --	$ 2,607
State Revenue:			
Florida Education Finance Program	857,205	--	857,205
Public Education Capital Outlay	--	65,778	65,778
Other State Revenues	16,360	--	16,360
Local Revenue:			
Local Capital Improvements	--	29,952	29,952
Local Tax Revenue	94,958	--	94,958
School Age Child Care Fees	106,659	--	106,659
Other Local Revenues	10,819	--	10,819
Total Revenues	**1,088,608**	**95,730**	**1,184,338**
Expenditures and Changes in Fund Balances			
Expenditures:			
Current:			
Instruction	804,070	--	804,070
Instructional Support Services	69,358	--	69,358
General Support Services	290,976	--	290,976
Community Services	420	--	420
Capital Outlay	--	44,091	44,091
Debt Service:			
Principal	--	28,043	28,043
Interest	--	7,611	7,611
Total Expenditures	**1,164,824**	**79,745**	**1,244,569**
Excess of Revenues Over/(Under) Expenditures	**(76,216)**	**15,985**	**(60,231)**
Fund Balances, July 1, 2024	**88,351**	**17,821**	**106,172**
Fund Balances, June 30, 2025	**$ 12,135**	**$ 33,806**	**$ 45,941**

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, 2025

Healthy Learning Academy, Inc.

A Component Unit of the Alachua County District School Board

Excess of Revenues over Expenditures – Total Governmental Funds	$ (60,231)
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	22,783
Current Year Depreciation Expense	(37,096)
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.	
Current Year Principal Payments	28,043
Change in Net Position of Governmental Activities	$ (46,501)

See accompanying notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Healthy Learning Academy, Inc. 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.

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.

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, 2035, and may be renewed up to an additional 10 years 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. 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.

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Cash and Cash Equivalents

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.

Capital Assets and Depreciation

Capital assets are defined by the School as assets with an initial, individual cost of $2,500 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 on the date of donation. Depreciable capital assets are depreciated using the straight-line method over the estimated useful lives of 10-39 years for buildings and 5 years for furniture, fixtures and equipment.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

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.

Long-term Liabilities

Long-term debt 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 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 nor 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.

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, 2025, was as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets not Being Depreciated:				
Land	$ 190,723	$ --	$ --	$ 190,723
Capital Assets Being Depreciated:				
Buildings	407,343	22,783	(13,931)	416,195
Improvements Other Than Building	81,414	--	(16,185)	65,229
Furniture, Fixtures & Equipment	20,279	--	(3,742)	16,537
Total Capital Assets	699,759	22,783	(33,858)	688,684
Accumulated Depreciation:				
Buildings	144,217	17,530	(13,931)	147,816
Improvements Other Than Building	27,709	18,016	(16,185)	29,540
Furniture, Fixtures & Equipment	13,021	1,550	(3,742)	10,829
Total Accumulated Depreciation	184,947	37,096	(33,858)	188,185
Net Capital Assets	$ 514,812	$ (14,313)	$ --	$ 500,499

Depreciation was charged to functions/programs as follows:

Instruction	$ 1,204
General Support	35,892
Total	$ 37,096

NOTE 3 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Amount Due In 1 Year
Mortgage Note Payable	$ 189,205	$ --	$ 28,043	$ 161,162	$ 29,411

In July, 2020, the School refinanced all then-existing mortgage debt into one 10-year note of $290,000, with a monthly payment of $2,971 and an interest rate of 4.25% which is fixed for five years. Future debt service requirements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 29,411	$ 6,244	$ 35,655
2027	30,685	4,970	35,655
2028	32,015	3,640	35,655
2029	33,403	2,252	35,655
2030	35,648	804	36,452
Total	$ 161,162	$ 17,910	$ 179,072

NOTE 4 – EMPLOYEE RETIREMENT PLAN

The School maintains a 403(b) defined contribution pension plan with Invesco. Essentially, all employees are eligible and may contribute the maximum amount permitted by law. Employer contributions are determined annually at the sole discretion of the School.

Year Ended June 30	Employer Contributions	Employee Contributions
2023	$ 26,433	$ 11,064
2024	$ 22,625	$ 13,299
2025	$ 19,122	$ 14,742

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 in the current and previous two years.

NOTE 6 – 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.

Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2025
Healthy Learning Academy, Inc.
A Component Unit of the Alachua County District School Board

	BUDGETED AMOUNTS		
	Original	Final	Actual Amounts
Federal through State:			
Title IV	$ 2,730	$ 2,607	$ 2,607
State Revenue:			
Florida Education Finance Program	858,687	857,205	857,205
Other State Revenues	16,360	16,360	16,360
Local Revenue:			
Local Tax Revenue	104,124	94,958	94,958
School Age Child Care Fees	106,659	106,659	106,659
Other Local Revenues	10,817	10,819	10,819
Total Revenues	**1,099,377**	**1,088,608**	**1,088,608**
Expenditures:			
Current:			
Instruction	807,424	804,070	804,070
Instructional Support Services	69,357	69,358	69,358
General Support Services	306,095	290,976	290,976
Community Services	420	420	420
Total Expenditures	**1,183,296**	**1,164,824**	**1,164,824**
Excess of Revenues Over/(Under) Expenditures	**(83,919)**	**(76,216)**	**(76,216)**
Fund Balances, July 1, 2024	**88,351**	**88,351**	**88,351**
Fund Balances, June 30, 2025	**$ 4,432**	**$ 12,135**	**$ 12,135**

Note to 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. A final budget amendment is made so that final budgeted amounts agree to the actual amounts. The fund is the legal level of control.

Kattell and Company, P.L.
Certified Public Accountants Serving the Nonprofit Community
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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

October 8, 2025

To the Board of Directors
Healthy Learning Academy, Inc.

We have audited the financial statements of Healthy Learning Academy, Inc. (the School) for the year ended June 30, 2025, and have issued our report thereon dated October 8, 2025. 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 August 22, 2025. 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. There are no estimates that are particularly sensitive.

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. The audit identified no material adjustments and no material uncorrected misstatements.

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 information is intended solely for the 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,
Healthy Learning Academy, Inc.

October 8, 2025

Report on the Financial Statements. We have audited the financial statements of Healthy Learning Academy, Inc. (the School), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated October 8, 2025.

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 Reporting Requirement. 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 8, 2025, 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 reported in the preceding annual financial audit report.

Official Title. Section 10.854(1)(e)5, Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity is Healthy Learning Academy Charter School**,** and the school code assigned by the Florida Department of Education is 01-0981.

Financial Condition.
Sections 10.854(1)(e)2., Rules of the Auditor General requires that we report the results of our determination as to 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. Our financial condition assessment procedures disclosed a deteriorating financial condition as explained in Finding 2025-001 in the Schedule of Findings.

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 report the results of our determination as to whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School is in compliance with the Statute.

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 identify any such noncompliance.

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

To the Board of Directors, October 8, 2025
Healthy Learning Academy, Inc.

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 Healthy Learning Academy, Inc. (the School) as of and for the year ended June 30, 2025, and the related notes to financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 8, 2025

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

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

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 8, 2025.

Kattell and Company, P.L.

Schedule of Findings
June 30, 2025
Healthy Learning Academy, Inc.
A Component Unit of the Alachua County District School Board

2025-001	**Deteriorating Financial Condition**
Criteria:	Section 218.39(5)(a), Florida Statutes, requires the auditor to report whether deteriorating financial conditions exist that may cause a condition described in Section 218.503(1) to occur if actions are not taken to address such conditions.
Conditions:	The School experienced an excess of expenditures over revenues in the general fund resulting in a fund balance of $12,135. Of that amount, $5,214 was non-spendable, leaving an unassigned fund balance of $6,921.
Cause:	The School budgeted to spend 95% of its fund balance, leaving it with 5% at the end of the year.
Effect:	The School has minimal unrestricted reserves to begin the 2025-2026 school year.
Recommendation:	The School will need to estimate its revenues accurately and monitor its expenditures closely to ensure that funds are available to meet its financial obligations throughout the year.

Healthy Learning Academy

A Tuition-Free, Elementary Charter School
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October 7th, 2025

Steve Kattell
Kattell and Company, P.L.
808-B NW 16th Avenue
Gainesville, FL 32601

RE: Response to Audit Finding 2025-001 – Deteriorating Financial Condition

Dear Mr. Kattell,

We acknowledge the finding 2025-001 identified in the audit for the fiscal year ended June 30, 2025, regarding the School's deteriorating financial condition as defined under Section 218.39(5)(a), Florida Statutes.

Management Response:

We recognize the importance of maintaining strong fiscal oversight and are committed to implementing improved budget monitoring and forecasting practices. At this time we are able to meet our financial obligations. Our administrative team will continue to review monthly financial reports and adjust expenditures as necessary to maintain fiscal responsibility and ensure ongoing financial stability.

Additionally, we are very concerned that we did not receive the State's Calculation Four worksheet, which would further assist in this audit by providing complete transparency and accuracy. Without this documentation, it remains uncertain whether the district still owes the School any funding.

We appreciate your continued guidance and collaboration as we work to strengthen our financial management practices.

Sincerely,

Renee Long
Principal
Healthy Learning Academy
rlong@hlacharter.com
352-372-2279