

**INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD**

FINANCIAL STATEMENTS

JUNE 30, 2023

**INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
FINANCIAL STATEMENTS**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 8
FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	9
STATEMENT OF ACTIVITIES	10
FUND FINANCIAL STATEMENTS:	
BALANCE SHEET - GOVERNMENTAL FUNDS	11
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	13
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	14
NOTES TO FINANCIAL STATEMENTS	15 - 23
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - GAAP BUDGET BASIS	24
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - GAAP BUDGET BASIS	25
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGET	26

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
FINANCIAL STATEMENTS

TABLE OF CONTENTS – CONTINUED

	<u>PAGE</u>
OTHER REPORTS	
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 <i>GOVERNMENT AUDITING STANDARDS</i>	27 – 28
MANAGEMENT LETTER	29 – 30

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ina A. Colen Academy, LLC
Ocala, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Ina A. Colen Academy, LLC (the "Charter School") (a Charter School and component unit of the Marion County District School Board), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Charter School as of June 30, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Charter 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 Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charter 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 Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents 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.

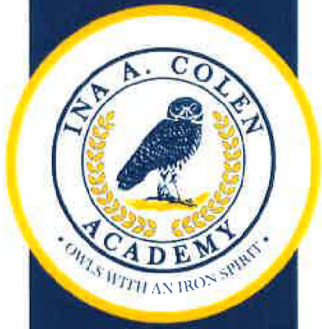
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2023 on our consideration of the Charter 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 Charter 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 Charter School's internal control over financial reporting and compliance.

*Christopher, Smith,
Leonard & Stanell, P.A.*

**CHRISTOPHER, SMITH,
LEONARD & STANELL, P.A.**

August 14, 2023
Bradenton, Florida



PRINCIPAL
Annie Avery

MAILING ADDRESS
5080 SW 66th Ct. Rd.
Ocala, FL 34474

PHONE
352-304-6787

WEBSITE
IACAFL.org

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Ina A. Colen Academy, LLC, a charter school and a component unit of the Marion County District School Board, we offer readers of the financial statements this narrative overview and analysis of the financial activities of Ina A. Colen Academy, LLC for the fiscal year ended June 30, 2023.

Readers should review this Management's Discussion and Analysis (MD&A) in addition to the financial statements and the accompanying notes to the financial statements to gain an understanding of Ina A. Colen Academy, LLC as an operating entity.

Operating Entity

Ina A. Colen Academy, LLC (the Charter School) opened as a charter school in Marion County, Florida in the 2022-23 school year. During 2020, the Marion County District School Board (the "School Board") approved it as a charter school which operates independently from the School Board. The charter authorizes the Charter School to serve students in grades K through 8 and expires on June 30, 2036. The year ended June 30, 2023 was the Charter School's first school year.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Charter School's financial statements. The Charter School's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide Financial Statements

The financial statements are designed to provide readers with a broad overview of the Charter School's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Charter School's assets plus deferred outflows less deferred inflows and liabilities, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Charter School is improving or deteriorating.

The statement of activities presents information showing how the Charter School’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement from some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Charter School that are principally supported by revenues, grants and contributions not restricted to specific programs from other functions that are intended to recover a significant portion of their costs through user fees. The governmental activities of the Charter School include various functions including instruction, general support, community service and maintenance of plant.

The statement of net position presents information on all of the assets, deferred outflows, deferred inflows, and liabilities as of June 30, 2023. A condensed statement of net position is shown below.

Condensed Statement of Net Position – Governmental Activities

	June 30, 2023
Current and other assets	\$ 293,830
Right-to-use asset	1,615,752
Capital assets	68,703
Total assets	1,978,285
Current liabilities	92,574
Noncurrent liabilities	3,353,530
Total liabilities	3,446,104
Net Position:	
Net investment in capital assets	45,842
Restricted	-
Unrestricted	(1,513,661)
Total Net Position	\$ (1,467,819)

Total assets consists mainly of cash, a right-to-use asset and capital assets used to provide services to students. The majority of the liabilities include accounts payable, accrued wages and long-term debt as described in Note 3. As of June 30, 2023, the Charter School had a negative net position of \$1,467,819, which is the difference between total assets less total liabilities. Negative net position is a result of a notes payable to assist in funding the first year of operations.

The statement of activities presents information showing how the Charter School’s net position increased or decreased during the current year. A condensed statement of activities is shown on the page which follows.

Condensed Statement of Activities – Governmental Activities

	For the Year Ended June 30, 2023
Revenues	
Program revenues:	
Charges for services	\$ 227,884
General revenues:	
Federal grants	-
State grants and revenues	1,559,733
Local revenues	3,000
Contributions and other revenues	179,228
Total revenues	1,969,845
 Expenses	
Instruction	1,506,397
General support	1,009,146
Community service	159,081
Maintenance of plant	791,012
Interest	25,408
Total expenses	3,491,044
 Increase (Decrease) in Net Position	 (1,521,199)
Net Position – Beginning	53,380
Net Position – Ending	\$ (1,467,819)

Program revenues were a result of food services, summer camp fees, and before/after care services. General revenues were largely a result of the Florida Education Finance Program (FEFP) which totaled \$1,558,001 for the year ended June 30, 2023. A majority of the Charter School’s expenses related to salaries and related benefits. These totaled \$1,717,031 for instruction salaries and benefits and \$725,473 for other salaries and benefits.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School, like other state and local government component units, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The individual generic fund type in the Charter School’s financial statements is a governmental fund. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Charter School’s near term financing requirements.

The Charter School has four governmental funds: a General Fund, a Special Revenue Fund, a Capital Projects Fund and a Debt Service Fund. The Charter School has elected to report all four funds as major funds.

The General Fund is the general operating fund of the Charter School. The fund balance of the General Fund totaled \$207,401 as of June 30, 2023, which increased by \$183,083 during the year. Unassigned fund balance was \$203,855 as of June 30, 2023 which is available for future spending.

The Special Revenue Fund accounts for activities of the food service program that serves breakfast and lunches to students and other federal funding. The General Fund transferred the excess of expenditures in excess of revenues during the year, therefore, the Special Revenue Fund has no fund balance as of June 30, 2023.

The Capital Projects Fund is used to account for all capital activity, including right-to-use assets. The Charter School recognized an expenditure for a right-to-use asset for \$1,673,458, with an offsetting other financing source during the year. Other capital expenditures during the year were limited and totaled \$45,998.

The Debt Service Fund is used to account for all proceeds and payments, including interest, related to capital leases and long-term debt. During the year, the Charter School received loan proceeds from a related party totaling \$1,700,000. Debt service for the current year totaled \$25,408.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found commencing on page 15 of this report.

Capital Assets

Below is a condensed schedule of capital assets net of accumulated depreciation.

Capital Assets – Governmental Activities

	June 30, 2023
Furniture and equipment	\$ 34,094
Software	8,566
Computers	26,043
Total (net of depreciation)	<u>\$ 68,703</u>

In addition to the capital assets, the Charter School has a right-to-use asset, after amortization, of \$1,615,752 as of June 30, 2023 related to a facility lease.

See Note 2 to the financial statements for additional detail of the capital asset activity for the year.

Debt Administration

During the year, the Charter School entered into direct borrowing promissory notes with a related party. The Charter School borrowed \$1,700,000 related to these notes during the year.

See Note 3 to the financial statements for more details on the long-term liabilities.

General Fund and Special Revenue Fund Budgets

The Board of Directors monitors the Charter School's financial performance relative to the budget on a quarterly basis. The Board of Directors makes formal budget amendments to approve changes as they monitor the bottom line for the overall financial effect on the Charter School. The budget was amended during the year.

The original budgeted revenues were \$1,647,338 and the final budgeted revenues were \$1,884,112 for the General Fund. Original budgeted expenditures were \$2,677,103 and the final budgeted expenditures were \$3,276,618. Original and final net transfers in (out) to the Special Revenue Fund, Capital Outlay Fund and Debt Service Fund were \$1,029,765 and \$1,588,756. Changes to the original revenue and expenditure budget were made based on changes to the student and teacher counts. During the year, revenues agreed to the final budget and expenditures were less than budget by \$43,952.

For the Special Revenue Fund, the original and final budgeted revenues were \$86,301 and \$85,733, respectively. Original and final budgeted expenditures were \$131,964 and \$182,690, respectively. Revenues and expenditures were consistent with the budget.

Economic Factors and Next Year's Budget

The Board of Directors has approved an operating budget for the 2023-24 academic year. The original budget is based on 436 students with revenues budgeted for \$5,729,298 and expenditures budgeted for \$5,728,668. The budget demonstrates that the Charter School will have a budgeted increase in fund balance of \$630.

Requests for Information

This financial report is designed to provide a general overview of the Ina A. Colen Academy, LLC's finances for those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ina A. Colen Academy, LLC, 5080 SW 66th Ct. Rd, Ocala, FL 34474.

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2023

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current assets	
Cash	\$ 267,802
Due from other governments	22,482
Prepaid expenses	3,546
Total current assets	293,830
Noncurrent assets	
Right-to-use asset, net of accumulated amortization	1,615,752
Capital assets, net of accumulated depreciation	68,703
Total noncurrent assets	1,684,455
TOTAL ASSETS	1,978,285
LIABILITIES	
Current liabilities	
Accounts payable	17,014
Accrued expenses	69,415
Lease interest payable	6,145
Total current liabilities	92,574
Noncurrent liabilities	
Due within one year	244,823
Due in more than one year	3,108,707
Total noncurrent liabilities	3,353,530
TOTAL LIABILITIES	3,446,104
Net position	
Net investment in capital assets	45,842
Unrestricted	(1,513,661)
TOTAL NET POSITION	\$ (1,467,819)

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

INA A. COLLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Change In Net Position Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,506,397	\$ -	\$ -	\$ -	\$ (1,506,397)
General support	1,009,146	23,495	-	-	(985,651)
Community service	159,081	190,604	-	-	31,523
Maintenance of plant	791,012	-	-	-	(791,012)
Interest	25,408	-	-	-	(25,408)
Total Governmental Activities	3,491,044	214,099	-	-	(3,276,945)
General Revenues Not Restricted to Specific Programs:					
Federal grants					13,785
State grants and revenues					1,559,733
Local revenues					3,000
Contributions and other revenues					179,228
Total General Revenues Not Restricted to Specific Programs:					1,755,746
Change in net position					(1,521,199)
Net Position – Beginning of year					53,380
Net Position – End of year					\$ (1,467,819)

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

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
ASSETS					
Cash	\$ 267,802	\$ -	\$ -	\$ -	\$ 267,802
Due from other governments	22,482	-	-	-	22,482
Prepaid items	3,546	-	-	-	3,546
TOTAL ASSETS	\$ 293,830	\$ -	\$ -	\$ -	\$ 293,830
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 17,014	\$ -	\$ -	\$ -	\$ 17,014
Accrued expenses	69,415	-	-	-	69,415
TOTAL LIABILITIES	86,429	-	-	-	86,429
Fund Balances:					
Nonspendable	3,546	-	-	-	3,546
Unassigned	203,855	-	-	-	203,855
TOTAL FUND BALANCES	207,401	-	-	-	207,401
TOTAL LIABILITIES AND FUND BALANCES	\$ 293,830	\$ -	\$ -	\$ -	\$ 293,830

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

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Fund Balances – Governmental Funds	\$	207,401
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
The right-to-use asset used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		1,615,752
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		68,703
<p>Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds</p>		
Lease interest payable	(6,145)	
Compensated absences	(14,917)	
Direct borrowings – Promissory notes	(1,700,000)	
Lease liability	<u>(1,638,613)</u>	
		<u>(3,359,675)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>(1,467,819)</u></u>

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

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES					
Federal through state	\$ -	\$ 37,280	\$ -	\$ -	\$ 37,280
State	1,559,733	-	-	-	1,559,733
Local	3,000	-	-	-	3,000
Other	321,379	48,453	-	-	369,832
Total Revenues	<u>1,884,112</u>	<u>85,733</u>	<u>-</u>	<u>-</u>	<u>1,969,845</u>
EXPENDITURES					
Current					
Instruction	1,273,484	2,954	-	-	1,276,438
Exceptional instruction	186,867	-	-	-	186,867
Student personnel services	187,763	-	-	-	187,763
Instructional media services	288	-	-	-	288
Instructional staff training	32,804	-	-	-	32,804
Instructional related technology	63,865	-	-	-	63,865
Board administration	144,340	-	-	-	144,340
School administration	342,789	-	-	-	342,789
Food services	-	168,905	-	-	168,905
Fiscal services	62,944	-	-	-	62,944
Operation of plant	785,061	-	-	-	785,061
Maintenance of plant	1,822	-	-	-	1,822
Community services	147,228	10,831	-	-	158,059
Athletic services	3,411	-	-	-	3,411
Capital outlay	-	-	1,719,456	-	1,719,456
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	25,408	25,408
Total Expenditures	<u>3,232,666</u>	<u>182,690</u>	<u>1,719,456</u>	<u>25,408</u>	<u>5,160,220</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,348,554)	(96,957)	(1,719,456)	(25,408)	(3,190,375)
OTHER FINANCING SOURCES					
Proceeds from direct borrowings	-	-	-	1,700,000	1,700,000
Lease agreement	-	-	1,673,458	-	1,673,458
Transfers in (out)	1,531,637	96,957	45,998	(1,674,592)	-
Total Other Financing Sources	<u>1,531,637</u>	<u>96,957</u>	<u>1,719,456</u>	<u>25,408</u>	<u>3,373,458</u>
NET CHANGE IN FUND BALANCES	183,083	-	-	-	183,083
FUND BALANCES – Beginning of year	24,318	-	-	-	24,318
FUND BALANCES – End of year	<u>\$ 207,401</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,401</u>

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

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balances – statement of revenues, expenditures and changes in fund balance – Governmental funds	\$	183,083
---	----	---------

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

<p>In the statement of activities, the right-to-use asset from a lease arrangement is amortized over the life of the lease. However, the right-to-use asset is not reported in the governmental funds. This represents the amortization expense in the statement of activities.</p>		(57,706)
---	--	----------

The governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	45,998		
Less current depreciation	(12,600)		
			33,398

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Decrease in lease interest payable	98		
Increase in compensated absences	(14,917)		
Increase in direct borrowings – promissory notes	(1,700,000)		
Decrease in lease liability	34,845		
			(1,679,974)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(1,521,199)</u>
--	-----------	---------------------------

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

**INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Ina A. Colen Academy, LLC (the “Charter School”) is a Florida limited liability company that operates a charter school in Ocala, Florida. The governing body of the Charter School is a Board of Directors composed of five members.

The general operating authority of the Charter School is contained in Chapter 1002.33, Florida Statutes. The Charter School operates under a charter of the sponsoring school board, the Marion County District School Board (School Board), which is effective through June 30, 2036. The Charter School is considered a component unit of the School Board. Upon dissolution or termination of the charter, all of the property, furnishings and equipment purchased with public funds, in part or in whole, automatically revert to the School Board. The year ended June 30, 2023 was the Charter School’s first school year.

Basis of Presentation

The financial statements of the Charter School have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments, including the Charter School.

Government-wide and Fund Financial Statements

The Charter School’s financial statements include both government-wide (reporting on the Charter School as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Charter School. The government-wide financial statements present governmental activities only. The Charter School has no business-type or fiduciary activities. Separate financial statements are provided for governmental funds.

In the government-wide statement of net position, the Charter School recognizes all long-term assets and receivables as well as long-term liabilities, including debt and other obligations. The Charter School’s net position is reported in three parts (as applicable): (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function (or segment) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Government-wide and Fund Financial Statements – Continued

The individual generic fund type in the Charter School's financial statements is a governmental fund. The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income.

Each governmental fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures. The Charter School reports the following governmental funds in which have been elected by management to be reported as major funds:

The General Fund is the general operating fund of the Charter School and is used to account for all of its general financial resources and any activity not related to the other governmental funds.

The Special Revenue Fund accounts for activities of the food service program that serves breakfast and lunches to students and other federal funding.

The Capital Projects Fund is used to account for all capital-related activity.

The Debt Service Fund is used to account for all debt proceeds and payments, including interest, related to long-term debt.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 government considers revenues to be available, if they are collected within 60 days of the end of the current period. When grant terms provide that the expenditure of resources is the determining factor for eligibility for Federal, state and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Revenues for current operations received from the School Board, pursuant to funding provisions included in the Charter School's charter are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Charter School.

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash

The Charter School's cash consists of deposits with a financial institution that is insured by the Federal Depository Insurance Corporation (FDIC). At June 30, 2023, the carrying amount of the Charter School's deposits was \$267,802 and the bank balances were \$269,831. At June 30, 2023, the Charter School's cash balances exceeded FDIC limits by \$19,831.

Capital Assets

Capital assets, which include furniture, equipment software and computers, are reported as the governmental activities in the government-wide financial statements and are not reported in the fund financial statements. Capital assets are defined by the Charter School as any individual asset with an initial cost of more than \$750 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives are 5 years for furniture, equipment software and computers.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for governmental activities is classified as "net position."

Fund Balance: Generally, fund balance represents the difference between the assets plus deferred outflows and liabilities plus deferred inflows under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

- *Nonspendable:* Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (1) not in spendable form (i.e., items that are not expected to be converted to cash) or (2) legally or contractually required to be maintained intact. Nonspendable fund balance is \$3,546 as of June 30, 2023 and includes prepaid items.
- *Restricted:* Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Committed:* Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraint imposed by formal action of the Board of Directors. Only the Board of Directors may modify or rescind the commitment.

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Equity – Continued

- *Assigned:* Fund balances are reported as assigned when amounts are constrained by the Charter School's intent to be used for specific purposes, but are neither restricted nor committed. Currently there is no one employee authorized to assign fund balances. As a result, only the Board of Directors is authorized to make assignments.
- *Unassigned:* Fund balances are reported as unassigned as the residual amount when balances do not meet any of the above criterion. The Charter School reports positive unassigned fund balance of \$203,855 as of June 30, 2023.

Net Position: Net position represents the difference between assets plus deferred outflows less liabilities and deferred inflows. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations. Net position not reported as net investment in capital assets and restricted net position is reported as unrestricted net position.

Flow Assumptions: When both restricted and unrestricted amounts of fund balance/net position are available for use for expenditures/expenses incurred, it is the Charter School's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Charter School's policy to first use committed, then assigned and unassigned.

Revenue Sources

Revenues for current operations are received primarily from the School Board, pursuant to the funding provisions included in the Charter School's charter. In accordance with the funding provisions of the charter and Chapter 1002.33(17), Florida Statutes, the Charter School reports the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Chapter 1011.62, Florida Statutes, the School Board 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 (FEFP). Funding for the Charter School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the Charter School during the designated full-time equivalent student survey periods.

The Charter School also receives Federal, State and local awards for the enhancement of various educational programs. Awards are generally received based on applications submitted to and approved by the respective granting agencies.

**INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Budgetary Information

An annual budget was adopted for on the modified accrual basis of accounting and is used to account for the activity in the governmental funds. Appropriations are controlled at the fund level. All annual appropriations lapse at fiscal year end. The Charter School’s budget for the year ended June 30, 2023 was prepared on a GAAP basis.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle

Effective July 1, 2022, the Charter School adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB No. 96), which requires recognition of certain subscription-based information technology arrangements as assets and liabilities in the statement of net position. Upon implementation, management determined that there were no material arrangements that would require recognition under GASB No. 96.

NOTE 2 – NONCURRENT ASSETS

Capital asset activity for fiscal year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets being depreciated:				
Furniture and equipment	\$ 16,774	\$ 25,859	\$ -	\$ 42,633
Software	4,220	5,493	-	9,713
Computers	15,434	14,646	-	30,080
Total capital assets being depreciated	36,428	45,998	-	82,426
Less accumulated depreciation for:				
Furniture and equipment	398	8,141	-	8,539
Software	211	936	-	1,147
Computers	514	3,523	-	4,037
Total accumulated depreciation	1,123	12,600	-	13,723
Total capital assets, being depreciated, net	35,305	33,398	-	68,703
Governmental activities capital assets, net	\$ 35,305	\$ 33,398	\$ -	\$ 68,703

Depreciation expense for the year ended June 30, 2023 was allocated to the following governmental functions as follows:

**INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – NONCURRENT ASSETS – CONTINUED

Instruction	\$ 7,623
Student personnel services	249
Instructional media services	92
School administration	1,168
Operation of plant	3,254
Operation of plant	214
Community services	<u>\$ 12,600</u>

The Charter School also has recognized a right-to-use asset (see Notes 3 and 4). Right-to-use asset activity for fiscal year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Right-to-use asset being amortized:				
Facility	\$ -	\$ 1,673,458	\$ -	\$ 1,673,458
Total right-to-use asset being amortized	-	1,673,458	-	1,673,458
Less accumulated amortization for:				
Facility	-	-	57,706	57,706
Total accumulated amortization	<u>-</u>	<u>-</u>	<u>57,706</u>	<u>57,706</u>
Governmental activities right-to-use asset, net	<u>\$ -</u>	<u>\$ 1,673,458</u>	<u>\$ (57,706)</u>	<u>\$ 1,615,752</u>

Amortization expense for the year ended June 30, 2023 was \$57,706 and is included in instruction expenses in the statement of activities.

NOTE 3 – LONG-TERM LIABILITIES

The Charter School provides all full-time employees paid time off each fiscal year. Employees can accrue up to eighty hours of paid time off and carry those hours forward into the next fiscal year. Upon separation of employment from the Charter School, employees receive payment for 50% of the value of any remaining unused accrued annual if employed by the Charter School or Marion County for less than twelve years. 100% of the value can be received if employed in excess of twelve years.

During the 2023 school year, the Charter School entered into an uncollateralized \$1,500,000 direct borrowing promissory note with a related party. The note bears a fixed interest rate of 3%. The note requires quarterly interest payments commencing on October 1, 2022. Commencing on the later of July 1, 2027 or the first quarter after the conclusion of a fiscal year in which the Charter School does not need to request an additional advance, quarterly principal amounts shall be required over a ten year period. In the event of default, all Indebtedness immediately will become due and payable.

During the 2023 school year, the Charter School entered into a second uncollateralized direct borrowing promissory note with a related party for \$200,000.

**INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – LONG-TERM LIABILITIES – CONTINUED

The note bears a fixed interest rate of 4.3%. The note requires quarterly interest payments commencing on July 1, 2023, with the entire outstanding balance due on May 15, 2024. In the event of default, all Indebtedness immediately will become due and payable.

Future estimated maturities of the direct borrowing notes are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 200,000	\$ 52,887	\$ 252,887
2025	-	45,000	45,000
2026	-	45,000	45,000
2027	-	45,000	45,000
2028	130,642	43,596	174,238
2029–2033	715,007	156,184	871,191
2034–2037	654,351	42,602	696,953
	<u>\$ 1,700,000</u>	<u>\$ 430,269</u>	<u>\$ 2,130,269</u>

The lease liability is further described in Note 4.

Changes in long-term liabilities for fiscal year ended June 30, 2023, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ -	\$ 55,994	\$ (41,077)	\$ 14,917	\$ 14,917
Direct borrowings - Promissory notes	-	1,700,000	-	1,700,000	200,000
Lease liability	-	1,673,458	(34,845)	1,638,613	29,906
	<u>\$ -</u>	<u>\$ 3,429,452</u>	<u>\$ (75,922)</u>	<u>\$ 3,353,530</u>	<u>\$ 244,823</u>

Compensated absences and the lease liability are liquidated from the General Fund.

NOTE 4 – FACILITY LEASE

The Charter School entered into a lease with a related party for the use of a school building effective July 1, 2022 through June 30, 2036, with an optional fifteen year additional term. Lease payments are based on a percentage of the Charter School's FEFP. The rent expense for the year ended June 30, 2023 was as follows:

Lease expense	
Amortization expense by class of underlying asset	
Facility	\$ 57,706
Total amortization expense	57,706
Interest on lease liability	74,332
Total lease expense	<u>\$ 132,038</u>

**INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 – FACILITY LEASE – CONTINUED

Future minimum lease payments for this lease are as follows:

Year Ending June 30	Principal	Interest	Total Payments
2024	\$ 29,906	\$ 73,126	\$ 103,032
2025	31,280	71,752	103,032
2026	32,717	70,315	103,032
2027	34,220	68,812	103,032
2028	35,792	67,240	103,032
2029–2033	205,189	309,971	515,160
2034–2038	256,855	258,305	515,160
2039–2043	321,530	193,630	515,160
2044–2048	402,489	112,671	515,160
2049–2053	288,635	20,461	309,096
	<u>\$ 1,638,613</u>	<u>\$ 1,246,283</u>	<u>\$ 2,884,896</u>

NOTE 5 – SCHEDULE OF REVENUE SOURCES

The following is a schedule of revenue sources and amounts:

Federal through state		
Elementary and Secondary Emergency Relief (ESSER)	\$ 13,785	
National School Lunch Program (NSLP)	23,495	
	<u>37,280</u>	
State		
Florida Education Finance Program (FEFP)	1,558,001	
Florida Teacher's Lead Program	1,732	
	<u>1,559,733</u>	
Local		
Miscellaneous	3,000	
Other		
Donations	59,270	
Field trip	20,096	
Fundraising	31,152	
Spirit Store	5,114	
Athletics	3,891	
Before/Aftercare and tutoring	161,797	
Summer camp	28,808	
Food services	48,453	
Other	11,251	
	<u>369,832</u>	
Total	<u>\$ 1,969,845</u>	

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - RISK MANAGEMENT PROGRAMS

The Charter School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees for which the Charter School has purchased commercial insurance. The Charter School has not had any reduction in insurance coverage and the amount of claims, if any, resulting from these risks have not exceeded insurance coverage.

NOTE 7 - SUBSEQUENT EVENT

Subsequent to June 30, 2023, the Charter School entered into an uncollateralized \$1,000,000 promissory note with a related party with interest fixed at 4.43%.

REQUIRED SUPPLEMENTRY INFORMATION

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
GAAP BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Federal through state	\$ -	\$ -	\$ -	\$ -
State	1,531,778	1,559,733	1,559,733	-
Local	-	3,000	3,000	-
Other	115,560	321,379	321,379	-
Total Revenues	<u>1,647,338</u>	<u>1,884,112</u>	<u>1,884,112</u>	<u>-</u>
EXPENDITURES				
Current				
Instruction	1,107,233	1,292,581	1,273,484	19,097
Exceptional instruction	159,632	186,867	186,867	-
Student personnel services	183,799	194,615	187,763	6,852
Instructional media services	963	288	288	-
Curriculum development	81,374	-	-	-
Instructional staff training	45,000	32,804	32,804	-
Instructional related technology	68,448	63,865	63,865	-
Board administration	139,744	143,007	144,340	(1,333)
School administration	190,848	345,010	342,789	2,221
Fiscal services	56,476	62,944	62,944	-
Operation of plant	567,236	801,993	785,061	16,932
Maintenance of plant	25,000	1,822	1,822	-
Community services	51,350	150,822	147,228	3,594
Athletic services	-	-	3,411	(3,411)
Total Expenditures	<u>2,677,103</u>	<u>3,276,618</u>	<u>3,232,666</u>	<u>43,952</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,029,765)</u>	<u>(1,392,506)</u>	<u>(1,348,554)</u>	<u>43,952</u>
OTHER FINANCING SOURCES				
Transfers in (out)	<u>1,029,765</u>	<u>1,588,756</u>	<u>1,531,637</u>	<u>(57,119)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>196,250</u>	<u>183,083</u>	<u>(13,167)</u>
FUND BALANCE – Beginning of year	<u>24,318</u>	<u>24,318</u>	<u>24,318</u>	<u>-</u>
FUND BALANCE – End of year	<u>\$ 24,318</u>	<u>\$ 220,568</u>	<u>\$ 207,401</u>	<u>\$ (13,167)</u>

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SPECIAL REVENUE FUND
GAAP BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Federal through state	\$ 29,523	\$ 37,280	\$ 37,280	\$ -
Other	56,778	48,453	48,453	-
Total Revenues	<u>86,301</u>	<u>85,733</u>	<u>85,733</u>	<u>-</u>
EXPENDITURES				
Current				
Instruction	-	2,954	2,954	-
Food services	131,964	168,905	168,905	-
Community services	-	10,831	10,831	-
Total Expenditures	<u>131,964</u>	<u>182,690</u>	<u>182,690</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(45,663)	(96,957)	(96,957)	-
OTHER FINANCING SOURCES				
Transfers in (out)	<u>45,663</u>	<u>96,957</u>	<u>96,957</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE – Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE – End of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

INA A. COLEN ACADEMY, LLC
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE MARION COUNTY DISTRICT SCHOOL BOARD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGET

NOTE 1 – BUDGETARY INFORMATION

An annual budget was adopted on the modified accrual basis of accounting in accordance with generally accepted accounting principles. Appropriations are controlled at the fund level. All annual appropriations lapse at fiscal year-end.

For the General Fund, revenues were the same as the budgeted amount and expenditures were less than appropriations in the amount of \$43,952.

For the Special Revenue Fund, revenues and expenditures were the same as the budgeted amounts.

OTHER REPORTS

**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***

Board of Directors
Ina A. Colen Academy, LLC
Ocala, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Ina A. Colen Academy, LLC (the “Charter School”) (a Charter School and component unit of the Marion County District School Board), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Charter School’s basic financial statements and have issued our report thereon dated August 14, 2023.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter 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 Charter 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 Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Christopher, Smith,
Leonard & Stanell, P.A.*

CHRISTOPHER, SMITH,
LEONARD & STANEL, P.A.

August 14, 2023
Bradenton, Florida

MANAGEMENT LETTER

Board of Directors
Ina A. Colen Academy, LLC
Ocala, Florida

Report on the Financial Statements

We have audited the financial statements of Ina A. Colen Academy, LLC (the Charter School) (a Charter School and component unit of the Marion County District School Board) as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated August 14, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated August 14, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Since this was the first school year for the Charter School, there were no prior audit findings.

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 and the school code assigned by the Florida Department of Education of the entity are Ina A. Colen Academy and 429645.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the Charter School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Charter 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 Charter School. It is management's responsibility to monitor the Charter 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 the 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 us to apply appropriate procedures and communicate the results of our determination as to whether the Charter 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 Charter School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

*Christopher, Smith,
Leonard & Stanell, P.A.*

**CHRISTOPHER, SMITH,
LEONARD & STANELL, P.A.**

August 14, 2023
Bradenton, Florida