

Caring & Sharing
Learning School

Audit Report

June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Caring & Sharing Learning School

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caring & Sharing Learning School (the "School"), a component unit of the Alachua County District School Board, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2014, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Carri Riggs & Ingram, L.L.C.

Gainesville, Florida
September 30, 2014

Caring & Sharing Learning School

Management's Discussion and Analysis

This discussion and analysis of the School's financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the School's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2014:

- The School's overall net position increased by \$15,535.
- Total ending unrestricted net position was \$11,478.
- The School had total expenses for the year of \$1,126,683, compared to revenues of \$1,142,218.

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.

Caring & Sharing Learning School

Management's Discussion and Analysis

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

The School maintains three individual governmental funds. The General Fund and Special Revenue Fund are considered to be major funds and, accordingly, are separately displayed. Data from the Capital Projects Fund is displayed as an Other Governmental Fund.

CONDENSED FINANCIAL INFORMATION

The table on the following page presents condensed, comparative data about net position and changes in net position.

Caring & Sharing Learning School
Management's Discussion and Analysis

CONDENSED FINANCIAL INFORMATION

	Net position	
	2014 Governmental Activities	2013 Governmental Activities
Assets		
Non-capital assets	\$ 105,170	\$ 51,637
Capital assets	484,084	509,975
Total assets	589,254	561,612
Liabilities		
Current liabilities	157,697	149,990
Noncurrent liabilities	5,900	1,500
Total liabilities	163,597	151,490
Net position		
Net investment in capital assets	414,179	433,166
Unrestricted	11,478	(23,044)
Total net position	\$ 425,657	\$ 410,122
Change in net position		
Program revenues		
Charges for services	\$ 94,906	\$ 99,972
Capital grants & contributions	57,186	-
General revenues		
Title I grant	95,846	88,227
Florida Education Finance Program	812,444	778,282
Unrestricted grants and contributions	81,836	36,695
Forgiveness of debt	-	33,500
Total revenues	1,142,218	1,036,676
Program expenses		
Instruction	764,629	752,722
Instructional support services	13,273	3,756
General support	333,531	291,485
Community services	8,617	5,859
Interest on long-term debt	6,633	6,493
Total expenses	1,126,683	1,060,315
Change in net position	15,535	(23,639)
Beginning net position	410,112	433,751
Ending net position	\$ 425,647	\$ 410,112

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated \$152,092 in program revenues and \$990,126 of general revenues, and incurred \$1,126,683 of program expenses. This resulted in a \$15,535 increase in net position.

THE SCHOOL'S INDIVIDUAL FUNDS

General Fund

The General Fund's fund balance increased by \$39,522, from \$(12,044) to \$27,478.

BUDGETARY HIGHLIGHTS

During 2014, the school adopted the practice of amending its budget so that final budgeted amounts agree with actual amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The School did not acquire or dispose of capital assets during the year. 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 had no significant long-term debt activity 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

We are not aware of any economic 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 Curtis Peterson, Principal, Gainesville, Florida.

Basic Financial Statements

Caring & Sharing Learning School

Statement of Net Position
June 30, 2014

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 86,072
Receivables	13,802
Prepays	5,296
Capital assets:	
Nondepreciable	27,700
Depreciable, net	456,384
Total assets	589,254
Liabilities	
Accounts payable	77,692
Long-term liabilities:	
Due within one year	80,005
Due in more than one year	5,900
Total liabilities	163,597
Net position	
Net investment in capital assets	414,179
Unrestricted	11,478
Total net position	\$ 425,657

See accompanying notes to financial statements

Caring & Sharing Learning School

Statement of Activities
Year ended June 30, 2014

	Expenses	Program Revenues			Net (expense) revenue and change in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Functions/programs:					
Instruction	\$ 764,629	\$ -	\$ -	\$ -	\$ (764,629)
Instructional support services	13,273	-	-	-	(13,273)
General support	333,531	94,906	-	57,186	(181,439)
Community services	8,617	-	-	-	(8,617)
Interest on long-term debt	6,633	-	-	-	(6,633)
Total	\$1,126,683	\$ 94,906	\$ -	\$ 57,186	(974,591)

General revenues:

Title I grant	95,846
Florida Education Finance Program	812,444
Unrestricted grants and contributions	81,836
Total general revenues	990,126
Change in net position	15,535
Net position - beginning of year	410,122
Net position - end of year	\$ 425,657

See accompanying notes to financial statements

Caring & Sharing Learning School

Balance Sheet - Governmental Funds
June 30, 2014

	General Fund	Special Revenue Fund	Other Governmental Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 86,072	\$ -	\$ -	\$ 86,072
Receivables	13,802	-	-	13,802
Prepays	5,296	-	-	5,296
Total assets	\$ 105,170	\$ -	\$ -	\$ 105,170
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 77,692	\$ -	\$ -	\$ 77,692
Fund balances:				
Nonspendable - prepaids	5,296	-	-	5,296
Unassigned	22,182	-	-	22,182
Total fund balances	27,478	-	-	27,478
Total liabilities and fund balances	\$ 105,170	\$ -	\$ -	\$ 105,170

See accompanying notes to financial statements

Caring & Sharing Learning School

Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2014

Fund balances – total governmental funds	\$	27,478
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		484,084
Long-term liabilities are not reported in the governmental funds.		
Compensated absences		(16,000)
Bank loan		(50,000)
Revolving line-of-credit		(19,905)
<hr/>		
Net position of governmental activities	\$	425,657

See accompanying notes to financial statements

Caring & Sharing Learning School

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year ended June 30, 2014

	General Fund	Special Revenue Fund	Other Governmental Fund	Total Governmental Funds
Revenues				
Title I grant	\$ -	\$ 95,846	\$ -	\$ 95,846
Florida Education Finance Program	812,444	-	-	812,444
Public education capital outlay	-	-	57,186	57,186
Other state revenue	19,686	21,523	-	41,209
Other local revenue	134,933	-	600	135,533
Total revenues	967,063	117,369	57,786	1,142,218
Expenditures				
Current:				
Instruction	653,750	105,319	-	759,069
Instructional support services	1,223	12,050	-	13,273
General support	270,881	-	1,319	272,200
Community services	8,617	-	-	8,617
Capital outlay	-	-	36,000	36,000
Debt service:				
Principal retirement	-	-	13,834	13,834
Interest and fiscal charges	-	-	6,633	6,633
Total expenditures	934,471	117,369	57,786	1,109,626
Excess of revenues over expenditures	32,592	-	-	32,592
Other financing sources				
Debt issuance	6,930	-	-	6,930
Net change in fund balances	39,522	-	-	39,522
Fund balances - beginning of year	(12,044)	-	-	(12,044)
Fund balances - end of year	\$ 27,478	\$ -	\$ -	\$ 27,478

See accompanying notes to financial statements

Caring & Sharing Learning School

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
Year ended June 30, 2014

Net change in fund balances – total governmental funds	\$ 39,522
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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 depreciation expense	(25,891)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment does not affect net position of governmental activities.

Principal payments	13,834
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The issuance of long-term debt provides current financial resources for governmental funds, but does not affect net position of governmental activities.

Revolving line-of-credit	(6,930)
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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 governmental funds.

Compensated absences	(5,000)
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Change in net position of governmental activities	<u>\$ 15,535</u>
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See accompanying notes to financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Caring & Sharing Learning School conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity

Caring & Sharing Learning School, Inc. is a not-for-profit corporation organized in 1998 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 the Caring & Sharing Learning School (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, 2021, and may be renewed every ten 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.

Reporting Model

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 interfund 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.

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 governmental funds are used by the School:

General Fund – The General Fund is the general operating fund of the School. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund – The Special Revenue Fund is primarily used to account for and report financial resources restricted to operating uses.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***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.

The School's revenue sources are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. At times, certain other revenue items may be considered to be measurable and available only when cash is received.

Cash and Cash Equivalents

The School deposits its temporarily idle resources in financial institutions. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Capital Assets and Depreciation

Capital assets are defined by the School as assets with an initial, individual cost of \$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 at the date of donation.

Land and improvements is not depreciated. Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30
Improvements other than buildings	15
Furniture, fixtures, equipment and vehicles	5

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Sources

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

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

Compensated Absences

The School pays employees for 50% of unused sick and vacation time upon separation. A liability is accrued when incurred in the government-wide financial statements. However, a liability is reported in governmental funds only when payment is due.

Net Position

Net position 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 its use by legislation, or external restrictions imposed by other governments, creditors, or grantors. *Unrestricted* net position is net position that does not meet the definitions of the classifications previously described.

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

Fund Balance

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund balance classifications are described below:

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

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

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

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

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

Use of Estimates

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

Caring & Sharing Learning School

Notes to Financial Statements

NOTE 2 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated:				
Land and improvements	\$ 27,700	\$ -	\$ -	\$ 27,700
Capital assets being depreciated:				
Buildings	656,985	-	-	656,985
Improvements other than buildings	46,532	-	-	46,532
Furniture, fixtures and equipment	28,596	-	-	28,596
Vehicles	22,681	-	-	22,681
Total capital assets being depreciated	754,794	-	-	754,794
Total capital assets	782,494	-	-	782,494
Accumulated depreciation:				
Buildings	191,307	22,229	-	213,536
Improvements other than buildings	31,670	3,102	-	34,772
Furniture, fixtures and equipment	26,862	560	-	27,422
Vehicles	22,680	-	-	22,680
Total accumulated depreciation	272,519	25,891	-	298,410
Net capital assets	\$ 509,975	\$ (25,891)	\$ -	\$ 484,084

Depreciation of \$25,891 was charged to General Support.

NOTE 3 – LONG-TERM LIABILITIES

At June 30, 2014, the School's long-term liabilities consisted of the following:

\$50,000 capital-related unsecured loan payable to bank with 7.6% financing. The School is currently making monthly, interest-only payments on this loan. The loan is due on demand and is classified as a current liability in the Statement of Net Position.

Caring & Sharing Learning School

Notes to Financial Statements

NOTE 3 – LONG-TERM LIABILITIES (CONTINUED)

\$30,000 capital-related unsecured revolving line-of-credit payable to bank with 10% interest. This revolving credit agreement is classified as a current liability in the Statement of Net Position.

A summary of changes in long-term liabilities follows:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Compensated absences	\$ 11,000	\$ 12,000	\$ 7,000	\$ 16,000	\$ 10,100
Bank loan	50,000	-	-	50,000	50,000
Revolving line-of-credit	26,809	6,930	13,834	19,905	19,905
Total	\$ 87,809	\$ 18,930	\$ 20,834	\$ 85,905	\$ 80,005

NOTE 4 – PENSION PLAN

Plan Description. The School contributes to the Florida Retirement System (the “System”), a cost sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The System provides retirement, disability or death benefits to retirees or their designed beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida, 32315-9000, or by calling (850) 488-6491.

Funding Policy. The School is required to contribute at an actuarially determined rate. The School contributed at the regular employee rate which was 7.37% at June 30, 2014. Employees are required to contribute 3.00%. The contribution requirements of plan members and the School are established and may be amended by the Florida Legislature. The School’s contributions to the System for the years ended June 30, 2014, 2013 and 2012 were approximately \$53,500, \$39,300, and \$37,500, respectively, equal to the required contributions for each year.

Caring & Sharing Learning School

Notes to Financial Statements

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.

NOTE 6 – RELATED PARTY TRANSACTIONS

The School rents 3.9 acres of land from a relative of the principal. The terms of the contract called for payments of \$3,000 per month beginning on July 1, 2013, and terminating June 30, 2014. The School's payments for the year ended June 30, 2014 were \$36,000.

Required Supplementary
Information

Caring & Sharing Learning School

Budgetary Comparison Schedule
 General Fund
 Year ended June 30, 2014

	Budgeted amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Florida Education Finance Program	\$ 811,000	\$ 812,444	\$ 812,444	\$ -
Other state revenue	1,860	19,686	19,686	-
Other local revenue	134,000	134,933	134,933	-
Total revenues	946,860	967,063	967,063	-
Expenditures				
Current:				
Instruction	664,307	653,750	653,750	-
Instructional support services	-	1,223	1,223	-
General support	270,586	270,881	270,881	-
Community services	6,000	8,617	8,617	-
Debt service:				
Interest and fiscal charges	6,300	-	-	-
Total expenditures	947,193	934,471	934,471	-
Excess of revenues over (under) expenditures	(333)	32,592	32,592	-
Other financing sources				
Debt issuance	-	6,930	6,930	-
Net change in fund balances	(333)	39,522	39,522	-
Fund balances - beginning of year	-	(12,044)	(12,044)	-
Fund balances - end of year	\$ (333)	\$ 27,478	\$ 27,478	\$ -

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. A final budget amendment is made so that final budgeted amounts agree with actual amounts. The fund is the legal level of control.

Caring & Sharing Learning School

Budgetary Comparison Schedule
 Special Revenue Fund
 Year ended June 30, 2014

	Budgeted amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Title I grant	\$101,940	\$ 95,846	\$ 95,846	\$ -
Other state revenue	-	21,523	21,523	-
Total revenues	101,940	117,369	117,369	-
Expenditures				
Current:				
Instruction	99,475	105,319	105,319	-
Instructional support services	2,465	12,050	12,050	-
Total expenditures	101,940	117,369	117,369	-
Excess of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning of year	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. A final budget amendment is made so that final budgeted amounts agree with actual amounts. The fund is the legal level of control.

Additional Elements Required
by the Rules of the Auditor
General

MANAGEMENT LETTER

To the Board of Directors
Caring & Sharing Learning School

We have audited the financial statements of the Caring & Sharing Learning School (the "School"), as of and for the fiscal year ended June 30, 2014, and have issued our report thereon dated September 30, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of charter school audits performed in the State of Florida and require that certain items be addressed in this letter.

Prior Audit Findings

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

Financial Condition

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

Also, as required by the Rules of the Auditor General, we applied financial condition assessment procedures, as of the end of the fiscal year, pursuant to Rule 10.855(12). It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The application of such procedures did not reveal evidence of "deteriorating financial condition" as that term is defined in Rule 10.854.

Transparency

Section 10.855(13), Rules of the Auditor General, requires that we apply appropriate procedures to determine whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School did not maintain on its website the information specified in Section 1002.33(9)(p), Florida Statutes, as described in item 2014-001 in the accompanying schedule of findings.

Other Matters

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

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

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

Carr, Riggs & Ingram, L.L.C.

Gainesville, Florida
September 30, 2014

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

To the Board of Directors
Caring & Sharing Learning School

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, each major fund, and the aggregate remaining fund information of the Caring & Sharing Learning School (the “School”), a component unit of the Alachua County District School Board, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated September 30, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of

laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Caru, Riggs & Ingram, L.L.C.

Gainesville, Florida
September 30, 2014

Caring & Sharing Learning School

Schedule of Findings

2014-001 ***Finding*** – The School did not maintain on its website the information required by Section 1002.33(9)(p), Florida Statutes.

Recommendation – We have no further recommendation. The School immediately resolved this matter when this new requirement was brought to its attention during the course of the audit.

Response – As indicated by the auditor, the condition has been resolved.