



**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT
SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORTS THEREON**

JUNE 30, 2009



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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report of Alee Academy, Inc. (the "School") presents management's discussion and analysis of the School's financial performance during the fiscal year ended June 30, 2009. Please read it in conjunction with the School's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The School's total net assets decreased compared to the prior year.
- For the fiscal year ended June 30, 2009, the School's expenses exceeded revenues by \$80,716. This is a decrease from the prior year, when revenues exceeded expenses by \$89,804 (as restated).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the School's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the School, reporting the School's operations in more detail than the government-wide statements.
 - The *governmental funds* financial statements tell how general School services were financed in the short term, as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

This document also includes the independent auditor's report on compliance and internal control required by *Government Auditing Standards*, as well as the management letter required by the Rules of the Florida Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

The following table summarizes the major features of the School's financial statements, including the portion of the School they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	Government-wide Statements	Fund Statements
		Governmental Funds
Scope	Entire School	The activities of the School that are not proprietary or fiduciary
Required financial statements	Statement of net assets Statement of activities	Balance sheet – general fund Statement of revenues, expenditures and changes in fund balances – general fund
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-wide Financial Statements

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the School's net assets and how they have changed. Net assets – the difference between the School's assets and liabilities – is one way to measure the School's financial health or position. Over time, increases or decreases in the School's net assets are an indicator of whether its financial health is improving or

deteriorating, respectively. To assess the overall health of the School, one needs to consider additional non-financial factors such as changes in the School's student base.

The government-wide financial statements of the School are generally divided into three categories:

- *Governmental activities* – most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.
- *Business-type activities* – in certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.
- *Component units* – there currently are no component units included within the reporting entity of the School.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is a self-balancing set of accounts which the School uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law, and the School may establish other funds to control and manage money for particular purposes, such as for federal grants.

The School has one kind of fund:

- *Governmental funds* – most of the School's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the differences between them.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Assets

The School's net assets decreased from fiscal years 2008 to 2009 (see table below).

	<u>Governmental Activities</u>		Increase (Decrease)
	2008 (restated)	2009	
Current and other assets	\$ 657,474	\$ 521,273	-21%
Capital assets, net	<u>1,798,633</u>	<u>1,731,047</u>	<u>-4%</u>
Total assets	<u>2,456,107</u>	<u>2,252,320</u>	<u>-8%</u>
Current and other liabilities	193,740	193,465	0%
Long-term liability	<u>1,503,323</u>	<u>1,380,527</u>	<u>-8%</u>
Total liabilities	<u>1,697,063</u>	<u>1,573,992</u>	<u>-7%</u>
Net assets:			
Invested in capital assets, net of related debt	302,015	330,106	9%
Restricted	259,214	225,100	-13%
Unrestricted	<u>197,815</u>	<u>123,122</u>	<u>-38%</u>
Total net assets	<u>\$ 759,044</u>	<u>\$ 678,328</u>	<u>-11%</u>

Current and other assets decreased primarily due to a decrease in cash as a result of the current year operating deficit and timing of cash receipts and disbursements. The decrease in capital assets, net is due to depreciation expense in excess of capital asset additions in the current year. The decrease in total liabilities is primarily due to the current year principal payments on the mortgage note payable. The decrease in total net assets from the prior fiscal year is due to the School's current year operating deficit.

Change in Net Assets

The School's total revenues decreased by 10% to \$2,196,320, and the total cost of all programs and services decreased by 3% to \$2,277,036 (see table below).

	Governmental Activities		Increase (Decrease)
	2008 (restated)	2009	
Revenues:			
State and local sources	\$ 2,391,451	\$ 2,170,475	-9%
Contributions and other revenues	44,926	25,845	-42%
Total revenues	<u>2,436,377</u>	<u>2,196,320</u>	<u>-10%</u>
Expenses:			
Instruction and instruction-related services	1,261,155	1,233,135	-2%
School administration	524,843	590,353	12%
Pupil transportation services	187,806	165,094	-12%
Operation and maintenance of plant	223,313	197,899	-11%
Interest	149,456	90,555	-39%
Total expenses	<u>2,346,573</u>	<u>2,277,036</u>	<u>-3%</u>
Change in net assets	<u>\$ 89,804</u>	<u>\$ (80,716)</u>	<u>-190%</u>

Revenues from state and local sources constitute approximately 99% of total revenues. The decrease during fiscal 2009 is due to a decrease in funds from the FEFP and capital outlay program, the School's primary sources of funding. Contributions and other revenues decreased due to a decrease in various fund raising and other activities.

The increase in school administration is due to an increase in salaries and related benefits offset by a decrease in the School's administrative fee, which is calculated based on total FEFP revenue. The decrease in pupil transportation services is primarily due to the overall decrease in transportation operating costs, including bus fuel. The decrease in operation and maintenance of plant expenses is due to a decrease in general operating costs for the School's facility, including energy costs. The decrease in interest is due to a decrease in the variable interest rate and regular loan payments.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As the School completed the fiscal year, its total governmental funds reported a combined fund balance of \$348,222, which is a decrease from the prior year. Revenues and expenditures decreased overall due to the same factors discussed above.

General Fund Budgetary Highlights

Over the course of the year, the School revised its operating budget several times. These budget amendments fall into three categories:

- Amendments and supplemental appropriations approved shortly after the beginning of the fiscal year to reflect the actual beginning balances.
- Changes made during the fiscal year to account for variations in student enrollment.
- Increases in appropriations to prevent budget overruns.

For the year ended June 30, 2009, actual revenues were approximately \$181,000 below budgeted revenues, primarily due to the School not meeting its budgeted student enrollment. Actual expenditures were approximately \$248,000 more than budgeted expenditures, primarily due to the fact that actual school administration expenses were greater than projected.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2009, the School had invested \$2,516,632 in a broad range of capital assets, including land, buildings and improvements, furniture, fixtures and equipment and motor vehicles (see table below).

	<u>Governmental Activities</u>		<u>Increase</u>
	<u>2008</u>	<u>2009</u>	<u>(Decrease)</u>
Land	\$ 303,417	\$ 303,417	0%
Buildings and improvements	1,709,143	1,712,258	0%
Furniture, fixtures and equipment	319,588	349,592	9%
Motor vehicles	151,365	151,365	0%
Total capital assets	<u>\$2,483,513</u>	<u>\$ 2,516,632</u>	<u>1%</u>

This year's major capital asset additions included the following:

- Buildings and improvements - \$3,115
- Furniture, fixtures and equipment - \$30,004

The School did not dispose of any capital assets during the year.

The School's fiscal year 2010 capital budget does not include significant spending for capital projects. More detailed information about the School's capital assets is presented in Note 3 to the financial statements.

Long-Term Liability

At June 30, 2009, the School had \$1,502,131 in a mortgage payable outstanding, a decrease of \$104,877 from the prior year. This decrease is due to the current year principal payments. More detailed information about the School's long-term liability is presented in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following factors were taken into account when adopting the general fund budget for fiscal year 2010:

- Projected increase in student population.
- Projected decrease in per student FEFP base allocation.
- Projected decrease in capital outlay funds.
- Projected salary increases.

Estimated amounts available for appropriation in the general fund are \$2,077,193, a 5% increase over the 2009 actual of \$1,983,858. Budgeted expenditures are expected to decrease 19% to \$1,643,101 from the 2009 actual of \$2,020,754. The School has added no major new programs to the fiscal 2010 budget.

If these estimates are realized, the School's general fund balance is expected to increase by the close of fiscal 2010.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 1705 East County Road 44A, Eustis, Florida 32726.



Report of Independent Auditor's on Basic Financial Statements and Supplementary Information

To the Board of Directors of Alee Academy, Inc., a Charter School
and Component Unit of the District School Board of Lake County, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Alee Academy, Inc. (the "School"), a charter school and component unit of the District School Board of Lake County, Florida, as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the School's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 Alee Academy, Inc. as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2009 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



The management's discussion and analysis on pages 1-7 and the budgetary comparison schedule - general fund on page 25 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

BKHM, P.A.

Winter Park, Florida
September 29, 2009

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

STATEMENT OF NET ASSETS

JUNE 30, 2009

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 420,083
Other assets	101,190
Capital assets:	
Land	303,417
Buildings and improvements	1,712,258
Furniture, fixtures and equipment	349,592
Motor vehicles	151,365
Less accumulated depreciation	(785,585)
Total capital assets, net	1,731,047
Total assets	\$ 2,252,320
LIABILITIES	
Accounts payable and accrued expenses	\$ 71,861
Long-term liability:	
Portion due or payable within one year:	
Mortgage note payable	121,604
Portion due or payable after one year:	
Mortgage note payable	1,380,527
Total liabilities	1,573,992
NET ASSETS	
Invested in capital assets, net of related debt and deferred loan costs	330,106
Restricted for:	
Debt service	225,100
Unrestricted	123,122
Total net assets	678,328
Total liabilities and net assets	\$ 2,252,320

The accompanying notes to financial statements are an integral part of this statement.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental activities:						
Instruction and instruction-related services	\$ 1,233,135	\$ -	\$ -	\$ -	\$ (1,233,135)	\$ (1,233,135)
School administration	590,353	-	-	-	(590,353)	(590,353)
Pupil transportation services	165,094	-	-	-	(165,094)	(165,094)
Operation and maintenance of plant	197,899	-	-	-	(197,899)	(197,899)
Interest	90,555	-	-	-	(90,555)	(90,555)
Total primary government	<u>\$ 2,277,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,277,036)</u>	<u>(2,277,036)</u>
General revenues:						
State and local sources					2,170,475	2,170,475
Contributions and other revenue					25,845	25,845
Total general revenues					<u>2,196,320</u>	<u>2,196,320</u>
Change in net assets					<u>(80,716)</u>	<u>(80,716)</u>
Net assets at beginning of year, as previously reported					829,125	829,125
Prior period adjustment (see Note 2)					<u>(70,081)</u>	<u>(70,081)</u>
Net assets at beginning of year, as restated					<u>759,044</u>	<u>759,044</u>
Net assets at end of year					<u>\$ 678,328</u>	<u>\$ 678,328</u>

The accompanying notes to financial statements are an integral part of this statement.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

BALANCE SHEET - GOVERNMENTAL FUND

JUNE 30, 2009

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 420,083
Total assets	<u>\$ 420,083</u>
 LIABILITIES AND FUND BALANCE	
Accounts payable and accrued expenditures	\$ 71,861
Total liabilities	<u>71,861</u>
Fund balance:	
Reserved for:	
Debt service	225,100
Unreserved:	
Undesignated	<u>123,122</u>
Total fund balance	<u>348,222</u>
Total liabilities and fund balance	<u>\$ 420,083</u>

The accompanying notes to financial statements are an integral part of this statement.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS**

JUNE 30, 2009

Total fund balances - total governmental fund	\$	348,222
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental fund. The cost of the assets is \$2,516,632 and the accumulated depreciation is \$785,585.		1,731,047
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Non-current assets, including deferred loan costs, are not financial resources and, therefore, are not reported as assets in the governmental fund.		101,190
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Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund. Long-term liabilities at year-end consist of:

Mortgage note payable		<u>(1,502,131)</u>
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Total net assets - governmental activities	\$	<u>678,328</u>
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The accompanying notes to financial statements are an integral part of this statement.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2009

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
State and local sources	\$ 1,958,013	\$ 212,462	\$ -	\$ 2,170,475
Contributions and other revenue	25,845	-	-	25,845
Total revenues	<u>1,983,858</u>	<u>212,462</u>	<u>-</u>	<u>2,196,320</u>
EXPENDITURES				
Current:				
Instruction and instruction-related services	1,169,690	-	-	1,169,690
School administration	503,316	50,647	-	553,963
Pupil transportation services	153,877	5,175	-	159,052
Operation and maintenance of plant	193,871	-	-	193,871
Debt service:				
Principal	-	-	104,877	104,877
Interest	-	-	90,555	90,555
Capital outlay	-	33,119	-	33,119
Total expenditures	<u>2,020,754</u>	<u>88,941</u>	<u>195,432</u>	<u>2,305,127</u>
Excess (deficiency) of revenues over expenditures	<u>(36,896)</u>	<u>123,521</u>	<u>(195,432)</u>	<u>(108,807)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	36,188	195,432	231,620
Operating transfers out	(36,188)	(195,432)	-	(231,620)
Total other financing sources (uses)	<u>(36,188)</u>	<u>(159,244)</u>	<u>195,432</u>	<u>-</u>
Net changes in fund balances	<u>(73,084)</u>	<u>(35,723)</u>	<u>-</u>	<u>(108,807)</u>
Fund balances at beginning of year, as previously reported	491,387	35,723	-	527,110
Prior period adjustment (see Note 2)	<u>(70,081)</u>	<u>-</u>	<u>-</u>	<u>(70,081)</u>
Fund balances at beginning of year, as restated	<u>421,306</u>	<u>35,723</u>	<u>-</u>	<u>457,029</u>
Fund balances at end of year	<u>\$ 348,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,222</u>

The accompanying notes to financial statements are an integral part of this statement.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2009

Net changes in fund balances - total governmental funds	\$ (108,807)
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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 allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense \$100,705 exceeds capital outlays \$33,119 in the current period. (67,586)

Governmental funds report deferred loan costs paid as expenditures. However, in the statement of activities, the cost of those assets is allocated over the term of the loan and reported as amortization expense. This is the amount of amortization expense in the current period. (9,200)

Repayments of long-term liabilities are reported as expenditures in the governmental funds because they require the use of current financial resources. They are reported as a decrease in long-term liabilities in the statement of net assets. This amount represents the current year repayment of principal on long term debt. 104,877

Change in net assets of governmental activities	\$ <u><u>(80,716)</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Alee Academy, Inc. (the "School") is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act and Section 1002.33, Florida Statutes. The governing body of the School is the not-for-profit corporation Board of Directors, which is composed of nine members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Lake County, Florida (the "School Board"). The current charter is effective until June 30, 2012 and may be renewed thereafter by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the School Board. Any unencumbered capital outlay funds revert back to the Florida Department of Education to be redistributed among eligible charter schools. The School is considered a component unit of the School Board and meets the definition of a governmental entity under the *Audit and Accounting Guide – State and Local Governments* issued by the American Institute of Certified Public Accountants; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Basis of presentation

The School's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. Accordingly, both government-wide and fund financial statements are presented.

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the School's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The government-wide financial statements of the School are generally divided into three categories:

- *Governmental activities* – most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.
- *Business-type activities* – in certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.
- *Component units* – there currently are no component units included within the reporting entity of the School.

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund balance, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The funds in the financial statements of this report are as follows:

Governmental funds:

- General Fund – to account for all financial resources not required to be accounted for in another fund.
- Capital Projects Fund – to account for all resources for the acquisition of capital items by the School purchased with capital outlay funds.
- Debt Service Fund – to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

For purposes of these statements, the general, capital projects and debt service funds constitute major funds. There are no other governmental funds.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Basis of accounting

Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are presented using the accrual basis of accounting and an economic resources focus. Under the accrual basis of accounting, revenues and expenses are recognized when they occur.

The modified accrual basis of accounting and current financial resources focus is followed by the governmental funds. Under the modified accrual basis, revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized when due and (2) expenditures related to liabilities reported as general long-term debt are recognized when due.

Budgetary basis accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services and capital outlay).

Deposits and investments

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The School's cash consists primarily of demand and savings deposits with financial institutions.

Other assets

Other assets consist of deferred loan costs which are being amortized over the life of the outstanding mortgage note payable. As of June 30, 2009, deferred loan costs, net of related amortization, totaled \$101,190.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Capital assets and depreciation

Expenditures for capital assets acquired for general School purposes are reported in the governmental fund that financed the acquisition. Purchased capital assets are reported at cost, net of accumulated depreciation, in the government-wide financial statements. Donated assets are recorded at fair value at the date of donation.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

	<u>Years</u>
Buildings and improvements	10 - 39
Furniture, fixtures and equipment	3 - 5
Motor vehicles	5

Information relative to changes in capital assets is described in Note 3.

Long-term liabilities

Long-term obligations that will be financed by resources to be received in the future by the governmental funds are reported in the government-wide financial statements, not in the governmental funds. Changes in long-term liabilities for the current year are reported in Note 4.

Restricted net assets/ reserved fund balance

Restricted net assets/reserved fund balance in the accompanying financial statements as of June 30, 2009 represents a portion of net assets and the general fund balance which is restricted/ reserved for debt service payments, in the amount of \$225,100 as required by the mortgage note payable.

Revenue sources

Revenues for current operations are received primarily from the District School Board of Lake County, Florida pursuant to the funding provisions included in the School's charter. As such, the School's revenue stream is largely dependent upon the general state of the economy and the amounts allotted to the Florida Department of Education ("FDOE") by the state legislature. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the School reports the number of full-time equivalent students and related data to the School Board.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of full-time equivalent students and related data to the FDOE for funding through the FEFP. Funding for the 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 School during the designated full-time equivalent student survey periods. The School Board receives a 5% administrative fee from the School, which is reflected as a school administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

The School may receive federal awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures and, as such, are reflected as restricted net assets and reserved fund balance in the accompanying statement of net assets and balance sheet – governmental fund, respectively, to the extent that they remain unexpended.

Compensated absences

It is the School's policy to permit employees to accumulate earned but unused vacation and sick time benefits. Sick benefits must be used during employment, however, vacation time benefits are reported as accrued liabilities to the extent earned and not yet expired.

Use of estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and affect revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

2 PRIOR PERIOD ADJUSTMENT

The balance of unrestricted net assets at June 30, 2008 has been restated from the amount previously reported to reflect a retroactive charge of \$70,081 for accrued payroll expenses/expenditures. Of this amount, \$8,950 is applicable to fiscal 2008.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

3 CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 303,417	\$ -	\$ -	\$ 303,417
Total capital assets not being depreciated	<u>303,417</u>	<u>-</u>	<u>-</u>	<u>303,417</u>
Other capital assets:				
Buildings and improvements	1,709,143	3,115	-	1,712,258
Furniture, fixtures and equipment	319,588	30,004	-	349,592
Motor vehicles	<u>151,365</u>	<u>-</u>	<u>-</u>	<u>151,365</u>
Total other capital assets at historical cost	<u>2,180,096</u>	<u>33,119</u>	<u>-</u>	<u>2,213,215</u>
Less accumulated depreciation for:				
Buildings and improvements	(206,796)	(62,449)	-	(269,245)
Furniture, fixtures and equipment	(326,914)	(37,859)	-	(364,773)
Motor vehicles	<u>(151,170)</u>	<u>(397)</u>	<u>-</u>	<u>(151,567)</u>
Total accumulated depreciation	<u>(684,880)</u>	<u>(100,705)</u>	<u>-</u>	<u>(785,585)</u>
Other capital assets, net	<u>1,495,216</u>	<u>(67,586)</u>	<u>-</u>	<u>1,427,630</u>
Governmental activities capital assets, net	<u>\$ 1,798,633</u>	<u>\$ (67,586)</u>	<u>\$ -</u>	<u>\$ 1,731,047</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction and instruction-related services	\$ 63,444
School administration	27,191
Pupil transportation services	6,042
Operation and maintenance of plant	<u>4,028</u>
Total governmental activities depreciation expense	<u>\$ 100,705</u>

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

4 LONG-TERM LIABILITY

Long-term liability as of June 30, 2009 consists of a mortgage note payable to a financial institution that is secured by the School's Eustis, Florida facility. Terms of the note include monthly principal and interest payments, with interest being calculated at the Wall Street Journal prime rate plus 1% (5.50% as of June 30, 2009). Maturity date of the note is August 2019. The loan agreement also contains certain financial covenants with which the School must comply. As of June 30, 2009, the School was in compliance with these restrictive covenants.

Long-term liability activity during the current fiscal year was as follows:

Balance outstanding at beginning of year	\$ 1,607,008
Additions	-
Reductions	(104,877)
	<u> </u>
Balance outstanding at end of year	<u>\$ 1,502,131</u>
Amount due within one year	<u>\$ 121,604</u>

Future debt service requirements related to the mortgage payable are as follows:

Year ending June 30,	Principal	Interest	Total
2010	\$ 121,604	\$ 79,582	\$ 201,186
2011	128,463	72,723	201,186
2012	135,710	65,476	201,186
2013	143,365	57,821	201,186
2014	151,452	49,734	201,186
2015-2019	821,537	111,049	932,586
Total	<u>\$ 1,502,131</u>	<u>\$ 436,385</u>	<u>\$ 1,938,516</u>

Interest paid during the year ended June 30, 2009 totaled \$92,040.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

5 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

The following is a schedule of state and local revenue sources and amounts:

District School Board of Lake County, Florida:	
Florida Education Finance Program	\$ 1,212,520
Class size reduction	282,599
Capital outlay	212,462
Discretionary millage funds	129,526
ESE guaranteed allocation	119,116
Transportation	92,461
Supplemental academic instruction	74,786
Instructional materials	30,709
Discretionary lottery funds	7,242
Safe schools	6,703
Teacher lead	1,136
Other	1,215
	<hr/>
Total	<u><u>\$ 2,170,475</u></u>

The administration fee paid to the School Board during the year ended June 30, 2009 totaled approximately \$98,000, which is reflected as a school administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

6 RISK MANAGEMENT PROGRAM

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

7 SALARY SAVINGS PLAN

The School has adopted a salary savings plan in accordance with Section 401(k) of the Internal Revenue Code, which covers substantially all employees who have earned at least \$5,000. Eligible employees may elect to contribute a portion of their earnings to the plan. The School makes contributions to the Plan by matching 100% of employee contributions up to 3% of compensation. Employer contributions during fiscal 2009 totaled approximately \$17,000.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

8 COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable as of June 30, 2009 may be impaired.

In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Legal matters

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

Lease commitments

The School leases a building and two copiers under non-cancelable operating leases expiring during January 2010 and August 2011, respectively. The leases are payable in monthly installments of \$2,800 and \$671, respectively, and contain varying renewal options and require the School to pay insurance and other costs. Aggregate remaining minimum rental commitments as of June 30, 2009 under these leases are summarized as follows:

<u>Year ended June 30,</u>	<u>Amount</u>
2010	\$ 24,851
2011	3,892
2012	2,040
	<u>\$ 30,783</u>

Rental expense for the year ended June 30, 2009 approximated \$42,000.

**ALEE ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF LAKE COUNTY, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
State and local sources	\$ 2,164,847	\$ 2,164,847	\$ 1,958,013	\$ (206,834)
Contributions and other revenue	-	-	25,845	25,845
Total revenues	<u>2,164,847</u>	<u>2,164,847</u>	<u>1,983,858</u>	<u>(180,989)</u>
EXPENDITURES				
Current:				
Instruction and instruction-related services	1,183,670	1,183,670	1,169,690	13,980
School administration	318,879	287,579	503,316	(215,737)
Pupil transportation services	116,152	116,152	153,877	(37,725)
Operation and maintenance of plant	142,866	142,866	193,871	(51,005)
Capital outlay	<u>42,500</u>	<u>42,500</u>	-	<u>42,500</u>
Total expenditures	<u>1,804,067</u>	<u>1,772,767</u>	<u>2,020,754</u>	<u>(247,987)</u>
Excess (deficiency) of revenues over expenditures	<u>360,780</u>	<u>392,080</u>	<u>(36,896)</u>	<u>(428,976)</u>
OTHER FINANCING USES				
Operating transfers out	-	-	(36,188)	36,188
Total other financing uses	<u>-</u>	<u>-</u>	<u>(36,188)</u>	<u>36,188</u>
Net changes in fund balances	360,780	392,080	(73,084)	(392,788)
Fund balance at beginning of year, as restated	<u>421,306</u>	<u>421,306</u>	<u>421,306</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 782,086</u></u>	<u><u>\$ 813,386</u></u>	<u><u>\$ 348,222</u></u>	<u><u>\$ (392,788)</u></u>

See report of independent auditors.



**Report of Independent Auditor's 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 of Alee Academy, Inc., a Charter School
and Component Unit of the District School Board of Lake County, Florida

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Alee Academy, Inc. (the "School"), a charter school and component unit of the District School Board of Lake County, Florida, as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 29, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School's internal control.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described as follows:

2009-1: Board Member Governance Training: Our audit procedures revealed that one of the Board members of the School was unable to complete the required training by December 31, 2008.

The School's response to the findings identified in our audit is included in the written statement of explanation or rebuttal on page 32-33. We did not audit the School's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the School, the District School Board of Lake County, Florida, the Florida Department of Education and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

BKHM, P.A.

Winter Park, Florida
September 29, 2009

**ADDITIONAL INFORMATION REQUIRED BY
RULES OF THE FLORIDA AUDITOR GENERAL,
CHAPTER 10.850, *AUDITS OF CHARTER SCHOOLS
AND SIMILAR ENTITIES***



To the Board of Directors of
Alee Academy, Inc.

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Alee Academy, Inc. (the "School"), as of and for the year ended June 30, 2009, and have issued our report thereon dated September 29, 2009.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which is dated September 29, 2009, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.850, Rules of the Auditor General, which governs the conduct of charter school and similar entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

- 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.
- Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address violations of laws, regulations, 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 more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.854(1)(e)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies,



including, but not limited to (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.

- Section 10.854(1)(e)6, Rules of the Auditor General, requires the name or official title of the School. The name of the School is Alee Academy, Inc.
- Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition met. During the course of our audit, nothing came to our attention to indicate that the School had met any of the conditions described in Section 218.503(1), Florida Statutes (“the conditions”). However, in planning and performing our audit, we considered whether the School had met any of the conditions as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion as to whether the School had met any of the conditions. Accordingly, we do not express an opinion as to whether the School had met any of the conditions.
- Pursuant to Sections 10.854(1)(3)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures as of June 30, 2009, which included calculation and analysis of certain financial indicators we considered relevant to the School. Our financial condition assessment procedures did not include the use of benchmarks. It is management’s responsibility to monitor the School’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management.

Status of Prior Year Findings and Recommendations

Prior year management letter recommendation 1: Implement procedures to reconcile the capital asset detail ledger to the general ledger. During our current year audit procedures, we noted that the School has resolved this matter by implementing procedures to ensure the capital asset detail ledger is reconciled with the general ledger on a monthly basis.

Prior year management letter recommendation 2: Revise procedures to record and allocate expenses to the proper function. During our current year audit procedures, we noted that the School has revised its procedures to ensure all expenses are reported in the appropriate functions.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, the Board of Directors and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

BKHM, P.A.

Winter Park, Florida
September 29, 2009



National Dropout
Prevention Network
2002 Crystal Star Award Winner



Jennings Neeld
Director

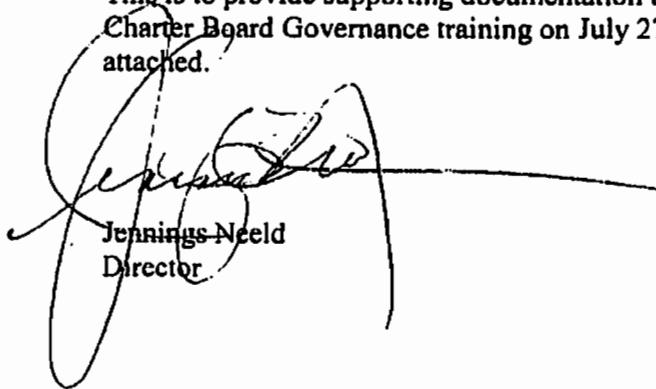
Board of Directors
Martha Cohen
Chairperson
Rachel Holtzclaw, CPA
Vice-Chairperson
G.D. Manley, DVM
Secretary/Treasurer
Carl Pettit
Louis Radnothy, DO FACOFP
Maria Faryna
Chloe Bonds Wormack
Mary Jane Hartwright

September 30, 2009

BKHM, P.A.
1560 Orange Avenue
Suite 600
Winter Park, Florida

Dear Sirs:

This is to provide supporting documentation that Dr. Louis Radnothy completed his Charter Board Governance training on July 27, 2009. A copy of his certificate is attached.



Jennings Neeld
Director

"An Accredited Alternative Charter School"

Umatilla Campus
P.O. Box 2481
755 South Central Ave.
Umatilla, FL 32784
Phone (352) 669-1280
Fax (352) 669-1282

Eustis Campus
1705 East County Road 44A
Eustis, Florida 32726

Phone (352) 357-9426
Fax (352) 357-8426

www.aieeacademy.org

*Kathleen W. Schoenberg, P.A.
Charter School Governance Training*

Certificate of Participation

is hereby granted to:

Louis J. Radnothy

Alee Academy

for successful completion of the four (4) hour course
approved by the Florida Department of Education

Date of Completion: July 27, 2009



Kathleen W. Schoenberg, Esq.