

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY
INDIAN RIVER STATE COLLEGE**

FINANCIAL STATEMENTS

June 30, 2023

**Clark Advanced Learning Center
A Charter School Operated by Indian River State College**

Financial Statements

June 30, 2023

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Report of Independent Auditors

To the Board of Trustees
Clark Advanced Learning Center
A Charter School Operated by
Indian River State College
Fort Pierce, Florida

Opinion

We have audited the accompanying basic financial statements of Clark Advanced Learning Center, A Charter School Operated by Indian River State College (the "School"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Clark Advanced Learning Center as of June 30, 2023, and the respective changes in its' financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the accompanying financial statements were prepared to present the financial position, changes in financial position and cash flows of Clark Advanced Learning Center and are not intended to be a complete presentation of the Indian River State College's financial statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of financial statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clark Advanced Learning Center's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Board of Trustees
Clark Advanced Learning Center
A Charter School Operated by
Indian River State College
Fort Pierce, Florida

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of Clark Advanced Learning Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Clark Advanced Learning Center's ability to continue as a going concern for a reasonable period of time.

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

Board of Trustees
Clark Advanced Learning Center
A Charter School Operated by
Indian River State College
Fort Pierce, Florida

Other Matters

Required Supplementary Information

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *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 in accordance with governmental auditing standards generally accepted in the United States of America, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. 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 November 9, 2023 on our consideration of Clark Advanced Learning Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements.

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* in considering Clark Advanced Learning Center's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 9, 2023

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED
BY INDIAN RIVER STATE COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

Introduction

The following Management's Discussion and Analysis ("MD&A") provides an overview of the financial position and activities of the Clark Advanced Learning Center, A Charter School Operated by Indian River State College ("IRSC") for the year ended June 30, 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes, which follow this section.

CLARK is operated by Indian River State College ("IRSC") and is housed on the Indian River State College, Chastain Campus in Stuart, Florida. Students attending CLARK enjoy full access to all College facilities, activities and services. Enrollment during fiscal year 2022-2023 consisted of 240 students compared to 244 students in the prior fiscal year.

Using the Financial Statements

This report consists of three basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows that provides information on CLARK as a whole and presents a long term view of CLARK's finances. The following activities are included in CLARK's basic financial statements:

- The Primary Institution, Clark Advanced Learning Center, is a public charter high school operated by Indian River State College and sponsored by the School Board of Martin County, open to Martin County public, private or home school students who are in the 10th, 11th and 12th grades. The purpose of CLARK is to provide academic and technical education for high school students and the opportunity to complete a high school diploma and an Associate Degree, simultaneously, in either academic transfer or technical education options. The high school is distinguished by the application of varied instructional delivery and learning styles, a technology-across-the-curriculum approach and incorporation of an integrated academic seminar series at each grade level.

The Management's Discussion and Analysis (MD&A), Financial Statements and accompanying Notes are prepared in accordance with the appropriate Governmental Accounting Standards Board (GASB) pronouncements: Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.

Statement of Net Position

The Statement of Net Position presents a financial picture of CLARK's financial condition at June 30, 2023 by reporting assets (current and non-current), liabilities (current and non-current), and net position (assets less liabilities).

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED
BY INDIAN RIVER STATE COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

Assets

Total assets of CLARK at June 30, 2023 were \$3,747,728 of which cash and investments of \$3,304,739 represented the major portion. Total assets increased by \$73,401 or 2.0% over the prior fiscal year primarily due to an increase in cash. Total non-current assets net of depreciation was \$423,729.

Liabilities

Total liabilities at June 30, 2023 were \$125,515, a \$24,065 or 16.1% decrease from the prior year balance. This decrease is primarily attributed to a decrease in accrued compensated absences and salaries payable in the current year.

Current liabilities consisting of accounts payable, accrued liabilities, unearned revenues and compensated absences – current were \$91,460 at June 30, 2023. This figure represents a decrease of \$27,199 or 22.9% from the prior fiscal year. Total non-current liabilities consisting of compensated absences payable was \$34,055 compared to \$30,921 in the prior fiscal year.

Net Position

Net position was \$3,622,213 and was divided into three major categories, defined as follows:

- Net investment in capital assets – This category represents CLARK's net equity in property, plant and equipment.
- Restricted – This category represents Capital Outlay Funds.
- Unrestricted – This category represents the net assets held by CLARK that have no formal restrictions placed upon them.

**Condensed Statement of Position
At June 30, 2023**

	6/30/2023	6/30/2022
Current assets	\$ 3,323,999	\$ 3,256,335
Restricted assets	163,188	163,188
Capital assets	260,541	254,804
Total Assets	\$ 3,747,728	\$ 3,674,327
Current liabilities	\$ 91,460	\$ 118,659
Non-current liabilities	34,055	30,921
Total Liabilities	\$ 125,515	\$ 149,580
Net investment in capital assets	\$ 260,541	\$ 254,804
Restricted for capital projects	1,365,377	1,365,377
Unrestricted	1,996,295	1,904,566
Total Net Position	\$ 3,622,213	\$ 3,524,747

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED
BY INDIAN RIVER STATE COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position, which is generally referred to as the activities statement, presents the total revenues (operating and non-operating) received and expenses (operating and non-operating) paid and owed and income or loss from operations for the fiscal years 2023 and 2022.

Revenues

Non-operating revenues for fiscal years ending June 30, 2023 and 2022 totaled \$2,223,374 and \$2,517,578, respectively, a decrease of \$294,204 or 11.7%. For 2023, intergovernmental revenues from Martin County District School Board totaled \$2,052,216. Charter School Capital Outlay funds totaled \$130,059 in fiscal year 2023 compared to \$128,054 received in the prior fiscal year.

Other income totaling \$30,862 primarily consists of funding received from the CLARK Foundation in support of student activities programs and CARES Act funds. This figure represents an increase of \$7,831 or 34% more than the prior fiscal year. Investment income increased by \$80,015 or 114.7% compared to the prior fiscal year due to increased interest rates and the current year unrealized gain on investments.

Expenses

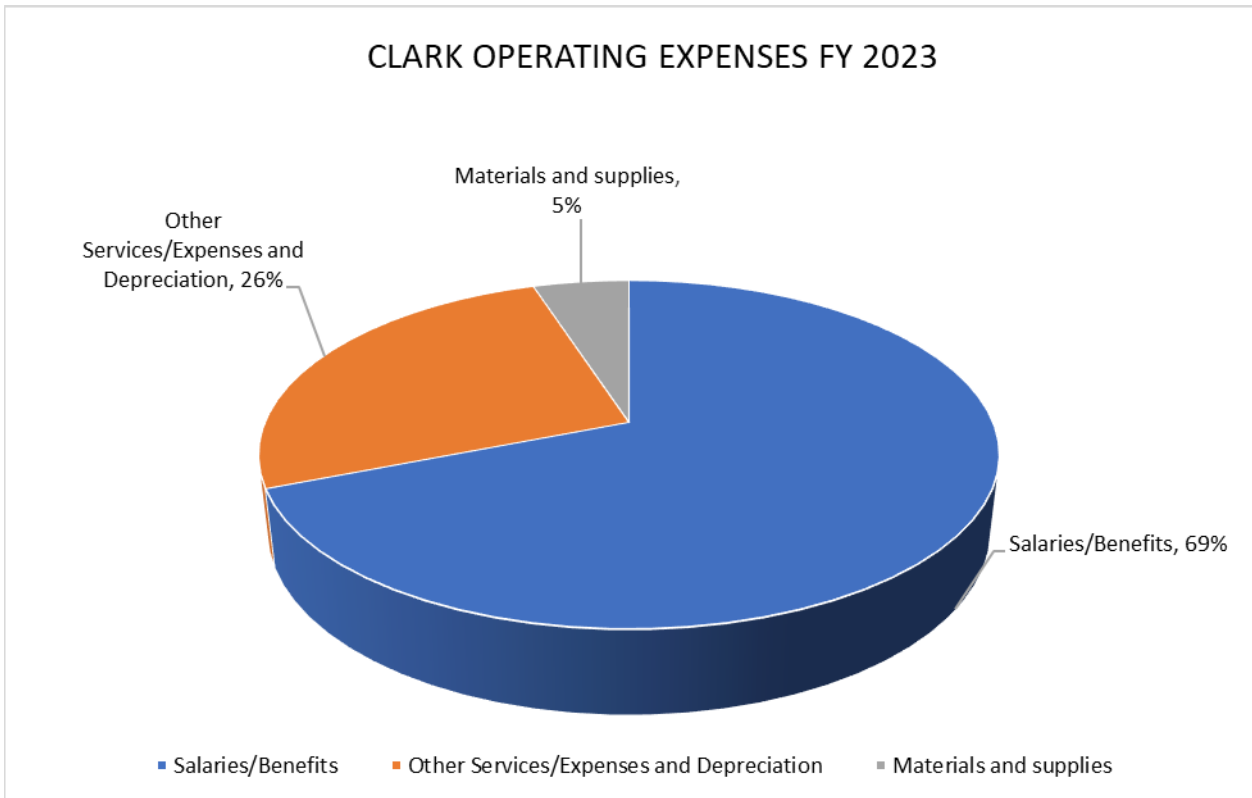
Total operating expenses for CLARK for the fiscal years ending June 30, 2023 and 2022 were \$2,125,908 and \$1,931,050, respectively, representing an increase of \$194,858 or approximately 10.1%. This increase is primarily attributed to the increase in salaries and benefits in the current year.

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED
BY INDIAN RIVER STATE COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

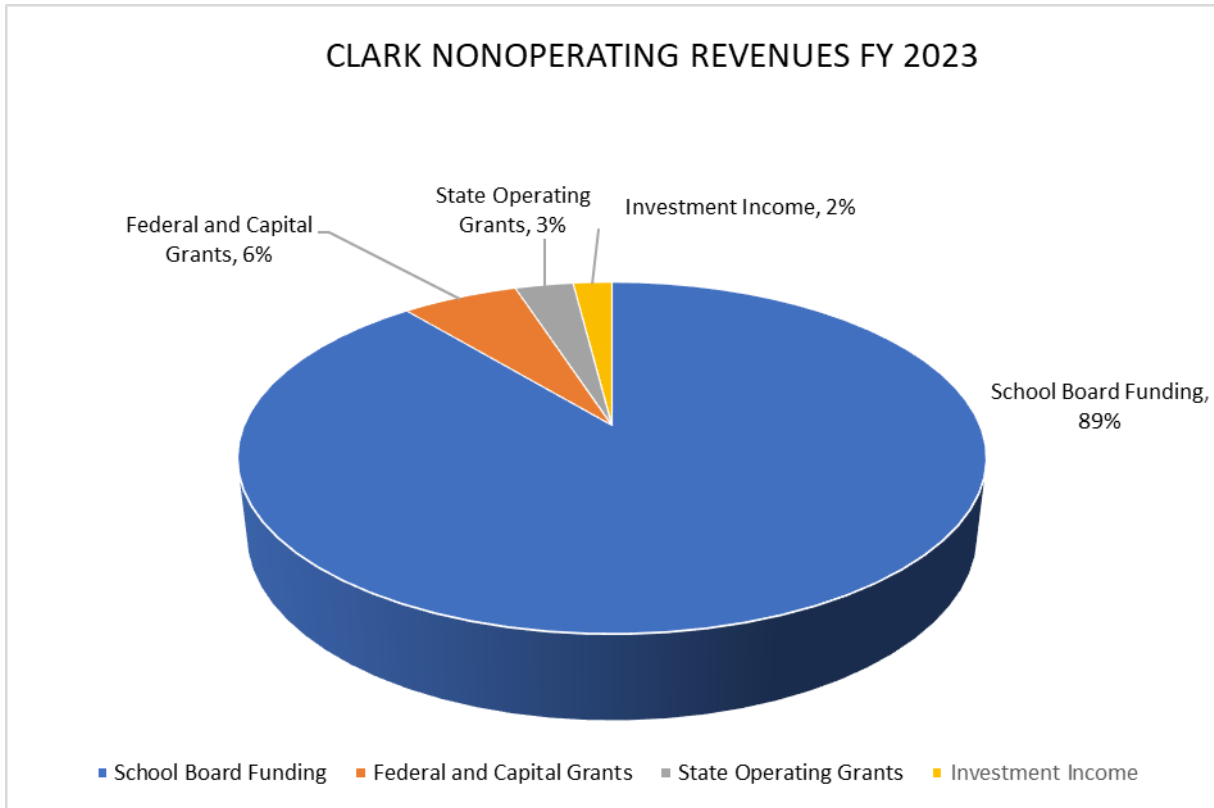
June 30, 2023

**Condensed Statement of Revenues, Expenses and Changes in Net Position
For the June 30th Fiscal Years Ended**

	FYE 2023	FYE 2022
OPERATING EXPENSES:		
Salaries and benefits	\$ 1,474,384	\$ 1,352,069
Other services/expenses and depreciation	542,258	437,883
Materials and supplies	109,266	141,098
Total Operating Expenses	\$ 2,125,908	\$ 1,931,050
NON-OPERATING REVENUES:		
School board funding and sales tax referendum	\$ 1,985,710	\$ 2,344,735
Federal and capital grants	130,059	128,054
Operating grants	66,506	-
Facilities operation funding	-	91,536
Other income and interest	41,099	(46,747)
Total Non-Operating Revenues	\$ 2,223,374	\$ 2,517,578
CHANGE IN NET POSITION	\$ 97,466	\$ 586,528
Net Position-Beginning of Year	3,524,747	2,938,219
Net Position-End of Year	\$ 3,622,213	\$ 3,524,747



**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED
BY INDIAN RIVER STATE COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023
Condensed Statement of Revenues, Expenses and Changes in Net Position
For the June 30th Fiscal Years Ended (Continued)**



Statement of Cash Flows

The Statement of Cash Flows provides a summary of the sources and uses of cash by categories. The primary purpose of the Statement of Cash Flows is to provide information about CLARK’s cash receipts and payments during the year and help assess CLARK’s ability to generate future net cash flows and meet future obligations.

The major source of cash is the pass through of legislative appropriations received from the State of Florida, Department of Education to the CLARK sponsor, the Martin County District School Board, totaling \$2,052,216. The main uses of Cash for Operating Activities were payments to suppliers totaling \$614,651 and payments to employees in the amount of \$1,479,434.

The Cash Flows from Noncapital Financing Activities include receipts from state and local sources totaling \$2,088,781. Net Cash Flows from Capital and Related Financing Activities sources totaled \$77,472 for fiscal year 2023. The Cash Flows from Investing Activities represent interest income earned on investments in the amount of \$10,237.

Overall, cash at the fiscal year end totaled \$3,467,927.

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED
BY INDIAN RIVER STATE COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023
Condensed Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023**

Cash Flows from Operating Activities	\$ (2,094,085)
Cash Flows from Noncapital Financing Activities	2,088,781
Cash Flows from Capital and Related Financing Activities	77,472
Cash Flows from Investing Activities	10,237
Net Increase in Cash	82,405
Cash and cash equivalents, beginning of year	3,385,522
Cash and cash equivalents, end of year	\$ 3,467,927

Economic Factors That Will Affect the Future

Overall, the Clark Advanced Learning Center's financial position is strong and has sufficient unrestricted reserves to offset reductions of State appropriations in the immediate future. Subsequent to fiscal year end, the Clark Advanced Learning Center received an "A" rating from the Florida Department of Education for the 2022-2023 academic school year, for the 14th consecutive year.

Indian River State College and the School Board of Martin County are committed to maintaining the high caliber of student enrollment at CLARK to continue its present level of success.

Request for Information

Questions concerning information provided in the Management's Discussion and Analysis, financial statements and notes thereto, or requests for additional financial information should be addressed to Marvin Pyles, PhD., Vice President of Financial Services, CFO, Indian River State College, 3209 Virginia Avenue, Fort Pierce, Florida 34981.

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
STATEMENT OF NET POSITION
June 30, 2023**

ASSETS

Current Assets	
Cash and cash equivalents	\$ 3,304,739
Due from affiliate	19,260
Total Current Assets	3,323,999
Non-current Assets	
Restricted Assets	
Restricted cash	163,188
Capital assets not being depreciated	
Construction in progress	52,587
Capital assets being depreciated	
Computer software	17,576
Improvements other than buildings	765,336
Furniture and equipment	135,384
Less: Accumulated depreciation	(710,342)
Total Non-Current Assets	423,729
Total Assets	3,747,728

LIABILITIES

Current Liabilities	
Accounts payable and accrued liabilities	43,946
Unearned revenues	3,270
Compensated absences - current	44,244
Total Current Liabilities	91,460
Non-current Liabilities	
Compensated absences	34,055
Total Liabilities	125,515

NET POSITION

Net investment in capital assets	260,541
Restricted for capital projects	1,365,377
Unrestricted	1,996,295
Total Net Position	\$ 3,622,213

See accompanying notes to financial statements.

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2023**

Operating Expenses	
Salaries	\$ 1,102,623
Benefits	371,761
Other services and expenses	495,408
Materials and supplies	109,266
Depreciation	46,850
Total Operating Expenses	<u>2,125,908</u>
Operating Loss	<u>(2,125,908)</u>
Nonoperating Revenues	
Intergovernmental revenues	1,985,710
Capital grants	130,059
Operating grants	66,506
Other income	30,862
Investment income	10,237
Total Non-operating Revenues	<u>2,223,374</u>
Change in Net Position	97,466
Net Position, July 1, 2022	<u>3,524,747</u>
Net Position, June 30, 2023	<u><u>\$ 3,622,213</u></u>

See accompanying notes to financial statements.

CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

CASH FLOWS USED BY OPERATING ACTIVITIES

Payments to employees	\$ (1,479,434)
Payments to suppliers	(614,651)
Net Cash Used by Operating Activities	<u>(2,094,085)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Receipts from state and local sources	<u>2,088,781</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Receipts from federal and capital grants	130,059
Purchases of capital assets	<u>(52,587)</u>
Net Cash Provided by Capital and Related Financing Activities	<u>77,472</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>10,237</u>
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Net increase in cash and cash equivalents 82,405

Cash and Cash Equivalents - July 1, 2022 3,385,522

Cash and Cash Equivalents - June 30, 2023 \$ 3,467,927

Reconciliation of net operating (loss) to net cash used by operating activities

Cash flows from operating activities:

Operating loss \$ (2,125,908)

Adjustments to reconcile net income/(loss) to net cash
used by operating activities:

Depreciation 46,850

Changes in assets and liabilities

Decrease in prepaid expenses 68

Decrease in accounts payable (10,045)

Decrease in accrued compensated absences (5,050)

Total Adjustments 31,823

Net Cash Used by Operating Activities \$ (2,094,085)

See accompanying notes to financial statements.

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023**

	Custodial Funds
ASSETS	
Cash	\$ 57,259
Prepaid expenses	1,389
Total Assets	<u>\$ 58,648</u>
NET POSITION	
Fiduciary net position - held for others	<u>\$ 58,648</u>

See accompanying notes to financial statements.

CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2023

	Custodial Funds
ADDITIONS	
Miscellaneous	
Club	\$ 22,128
General - instructional	14,030
Total Additions	36,158
 DEDUCTIONS	
Other	
Club	20,719
General - instructional	16,133
Total Deductions	36,852
 Change in Net Position	 (694)
 Fiduciary net position - held for others, July 1, 2022	 59,342
 Fiduciary net position - held for others, June 30, 2023	 \$ 58,648

See accompanying notes to financial statements.

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Clark Advanced Learning Center (“CLARK”) is a charter school operated in Martin County, Florida by Indian River State College (the “College”). It is governed by the District Board of Trustees of the College who are appointed by the Governor of the State of Florida.

CLARK is organized and operated in accordance with Section 1002.33, Florida Statutes. CLARK operates under a charter of the sponsoring school district – The School Board of Martin County, Florida. The original charter became effective on July 1, 2004 for a five-year term ending June 30, 2009. The original agreement has been renewed for three additional five-year terms upon the mutual consent of the parties. A new agreement was entered into on September 24, 2019, effective July 1, 2019, for a five-year term ending June 30, 2024. The charter may be terminated by the School Board if good cause is shown.

The accompanying financial statements were prepared to present financial position, results of operations and cash flows of Clark Advanced Learning Center and are not intended to be a complete presentation of the College’s financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

CLARK’s accounting policies conform with governmental accounting principles generally accepted in the United States of America applicable to colleges and universities as prescribed by the Government Accounting Standards Board (GASB). CLARK follows Financial Accounting Standards Board statements and interpretations issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements. GASB allows public colleges various reporting options. CLARK elected to report as an entity engaged in only business-type activities. This election requires the adoption of the accrual basis of accounting and reporting to include the following components:

- ◆ Management’s Discussion and Analysis (MD&A)
- ◆ Basic Financial Statements
 - Statement of Net Position
 - Statement of Revenues, Expenses, and Changes in Net Position
 - Statement of Cash Flows (presented using the direct method in compliance with GASB No. 9)
 - Notes to the Financial Statements

CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Basis of accounting refers to when revenues, expenses and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. CLARK's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

CLARK's principal operating activity is instruction. Operating expenses include all fiscal transactions related to instruction as well as administration, academic support, and student services. Nonoperating revenues include State and local grants and appropriations and investment income.

The statement of net position is presented in a classified format to distinguish between current and non-current assets and liabilities. When both restricted and unrestricted resources are available to fund certain programs, it is the CLARK's policy to first apply the restricted resources to such programs followed by the use of unrestricted resources.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in demand accounts and cash participation in the College's investment pool. For cash flow purposes the College considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Restricted Assets

Certain assets of the College and a corresponding liability or portion of net position is classified as restricted on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation, or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

Capital Assets

Capital assets, which consist of equipment, are recorded at cost or, in the case of donated property, at the estimated fair market value at the date of receipt. The College has a capitalization threshold of \$5,000 for tangible personal property and \$25,000 for buildings and improvements.

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings	40 years
Other Structures and Improvements	10 years
Furniture, Machinery, Software and Equipment	5-10 years
Assets Under Capital Leases and Leasehold Improvements	10 years

Compensated Absences

Pursuant to the provisions of Chapter 250, Part III, Florida Statutes, State Board of Education rules and Board policies, employees earn annual vacation and sick leave based on the length of service, but subject to certain limitations regarding the amount that will be paid upon termination. These earnings for accumulated leave are recorded as a liability in CLARK's financial statements.

NOTE B – CASH AND CASH EQUIVALENTS

Cash as reported on the Statement of Net Position, includes the following:

Checking	\$ 1,424,033
Cash equivalents	2,043,894
Total Cash	<u>\$ 3,467,927</u>

Cash for the operation of CLARK is combined with other cash of the District Board of Trustees of Indian River State College.

Banks qualified as public depositories under Chapter 280, Florida Statutes hold cash deposits of the College. In addition to insurance provided by the Federal Depository Insurance Corporation, all demand deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds and are collateralized under the provisions of the state statute noted above.

CLARK follows the Indian River State College investment policy. CLARK's investments (cash equivalents) are subject to the following types of risks:

Interest Rate Risk – The investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The investment policy of the college limits investments to certain fixed income securities.

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023**

NOTE B – CASH AND CASH EQUIVALENTS (CONTINUED)

Concentration of Credit Risk – The investment policy places a limit on the amount it may invest in any one investment type.

The types of deposits and investments and their level of risk exposure as of June 30, 2023 were typical of these items during the fiscal year then ended. The school considers any decline in fair value for certain investments to be temporary.

The Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted priced in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

Based on the criteria in the preceding paragraph, CLARK’s investments (cash equivalents) are deemed a Level 1 asset.

NOTE C – CHANGES IN CAPITAL ASSETS

A summary of changes in Capital Assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not depreciated				
Construction in progress	\$ -	\$ 52,587	\$ -	\$ 52,587
Capital assets being depreciated:				
Furniture and equipment	135,384	-	-	135,384
Improvements other than buildings	765,336	-	-	765,336
Computer software	17,576	-	-	17,576
Less: Accumulated depreciation	(663,492)	(46,850)	-	(710,342)
Total Capital Assets Depreciated, Net	<u>254,804</u>	<u>(46,850)</u>	<u>-</u>	<u>207,954</u>
 Total Capital Assets, Net	 <u>\$ 254,804</u>	 <u>\$ 5,737</u>	 <u>\$ -</u>	 <u>\$ 260,541</u>

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023**

NOTE D – ACCRUED COMPENSATED ABSENCES

A summary of changes in accrued compensated absences follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Compensated absences	\$ 83,349	\$ 58,051	\$ (63,101)	\$ 78,299

NOTE E – RETIREMENT PLAN

Most employees working in regularly established positions of the College are covered by the Florida Retirement system, a State-administered, cost-sharing, multiple-employer, defined benefit retirement plan (the “Plan”). All instructors and supporting staff of CLARK are employed by Indian River State College. Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 605 Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail. Essentially, all regular employees of participating employers are eligible and must enroll as members of the Plan.

Benefits vest at specified ages or number of years of service depending upon the employee’s classification. The Plan also includes an early retirement provision but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability, death benefits and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (“DROP”), subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with the Florida Retirement System employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest. CLARK did not have any employees enrolled in the Deferred Retirement Option Program for the fiscal year ended June 30, 2023.

The Plan’s financial statements and other supplemental information are included in the State’s Comprehensive Annual Financial Report, which may be obtained by contacting the Florida Department of Financial Services in Tallahassee, Florida. Also, an annual report on the Plan, which includes its financial statements, required supplemental information, actuarial report and other relevant information may be obtained from the Florida Department of Management Services, Division of Retirement in Tallahassee, Florida.

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023**

NOTE E – RETIREMENT PLAN (CONTINUED)

The contribution rates for Plan members are established, and may be amended, by the State of Florida. Contribution rates during the fiscal year ended June 30, 2023 are presented in the following table:

<u>Class or Plan</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular	3%	11.91%
Florida Retirement System, CCORP	3%	9.93%
Florida Retirement System, Special Risk	3%	27.83%
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes or Plan	0%	18.60%
Florida Retirement System, Reemployed Retiree	(B)	(B)

(A) Employer rates include the post-employment health insurance subsidy of 1.66 percent and 0.06 percent for administrative costs of the Public Employee Optional Retirement Program.

(B) Contribution rates are dependent upon retirement class or plan in which reemployed.

The College recognizes the unfunded pension obligation at the entity level. Any amount of this obligation allocable to CLARK is deemed immaterial.

CLARK's liability for participation in the Plan is the payment of the required contribution at the rates and frequencies established by law on future payrolls of CLARK. The CLARK's employer contributions to the Plan for the fiscal years ended June 30, 2023, 2022, and 2021 totaled \$118,194, \$105,265, and \$97,138, respectively, which were equal to the required contributions for the fiscal year. Effective July 1, 2011, employees were required to contribute 3% and the employer contribution rate was reduced for all membership. The employee contribution portion for the fiscal year ended June 30, 2023, 2022 and 2021 was \$27,380, \$27,900, and \$29,334, respectively.

Public Employee Optional Retirement Program (PEORP) – Pursuant to Section 121.4501, Florida Statutes, and the Florida Legislature created a defined contribution program called the Public Employee Optional Retirement Program. The program is an option to the Florida Retirement System and is self-directed by the employee. A retirement account is established for each employee who selects this option and an employer contribution is directed to the individual account. The employees have the responsibility of selecting how their funds are invested within the approved set of investment choices and may take their funds when they leave the Florida Retirement System. CLARK had six employees enrolled in the Program for the fiscal year ended June 30, 2023, and four employees for the fiscal years ended June 30, 2022 and 2021 and required contributions of \$39,742, \$29,088, and \$17,915, respectively, were made to the plan.

**CLARK ADVANCED LEARNING CENTER
A CHARTER SCHOOL OPERATED BY INDIAN RIVER STATE COLLEGE
NOTES TO FINANCIAL STATEMENTS
June 30, 2023**

NOTE F – INDIRECT COST ALLOCATION

CLARK's operating expenses do not include any indirect operating costs of the College, such as facility rent, finance, payroll and administrative services performed by the College. These services are provided by the College at no cost to CLARK.

NOTE G – RISK MANAGEMENT

CLARK is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. CLARK is insured for these risks through the Florida Community Colleges Risk Management Consortium. The Consortium was created under authority of Section 1001.64(27), Florida Statutes by the Boards of Trustees of the Florida Public Community Colleges for the purpose of joining a cooperative effort to develop, implement and participate in a coordinated statewide community college risk management program. The Consortium is to be self-sustaining through member assessments (premiums) and is reinsured through commercial companies for claims in excess of specified amounts. Insurance coverage obtained through the Consortium included health, dental, fire and extended property, general and automobile liability, workers' compensation and other liability coverage. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.



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INDEPENDENT AUDITORS' 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 Supervisors
Clark Advanced Learning Center
Fort Pierce, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, as listed in the table of contents, of Clark Advanced Learning Center, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements and have issued our report thereon dated November 9, 2023.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that have not been identified.

To the Board of Supervisors
Clark Advanced Learning Center

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clark Advanced Learning Center'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 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.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 9, 2023



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Management Letter

To the Board of Trustees
Clark Advanced Learning Center
A Charter School Operated by
Indian River State College
Fort Pierce, Florida

Report on the Financial Statements

We have audited the financial statements of the Clark Advanced Learning Center, A Charter School Operated by Indian River State College, Florida, as of and for the year ended June 30, 2023, and have issued our report thereon dated November 9, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report which is dated November 9, 2023 should be considered in conjunction with this management letter.

Prior Audit Findings

The Rules of the Auditor General (Section 10.854(1)(e)1.) 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. There were no findings or recommendations made in the preceding audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Clark Advanced Learning Center and 0400.

Board of Trustees
Clark Advanced Learning Center
A Charter School Operated by
Indian River State College

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General require us to apply appropriate procedures and communicate whether or not Clark Advanced Learning Center has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Clark Advanced Learning Center did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the Clark Advanced Learning Center. It is management's responsibility to monitor the Clark Advanced Learning Center's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit we did not have any such recommendation.

Transparency

Rules of the Auditor General (Sections 10.854(1)(e)7 and 10.855(13)) require that we apply appropriate procedures to determine whether Clark Advanced Learning Center, A Charter School Operated by Indian River State College maintains on its web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Clark Advanced Learning Center, A Charter School Operated by Indian River State College maintained on its web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Rules of the Auditor General (Section 10.854(1)(e)3.) 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.

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



Berger, Toombs, Elam,
Gaines & Frank
Certified Public Accountants PL

Board of Trustees
Clark Advanced Learning Center
A Charter School Operated by
Indian River State College

Purpose of this Letter

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

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

November 9, 2023