

**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
A CHARTER SCHOOL
AND COMPONENT UNIT
OF THE MIAMI-DADE COUNTY
SCHOOL BOARD
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2017**

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
MIAMI-DADE COUNTY DISTRICT SCHOOL BOARD
JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Excelsior Academies, Inc.
D/B/A Excelsior Charter Academy
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Excelsior Academies, Inc. D/B/A Excelsior Charter Academy (the "Charter School"), which is a component unit of the Miami-Dade County District School Board, Miami, Florida, as of, and for the year ended June 30, 2017, which collectively comprises the Charter School's basic financial statements as listed in the table of contents for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits 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 and the provision of Chapter 10.850, Charter School's audit, issued by the Auditor General of the State of Florida. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

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



INDEPENDENT AUDITORS' REPORT – Continued

Auditors' Responsibility (Continued)

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Charter School, as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

In accordance with Government Auditing Standards, we have also issued our report dated August 23, 2017, on our consideration of the Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–9 and 28–29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Gardner & Associates, PA
Miami, Florida
August 23, 2017

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017

As management of the Excelsior Academies, Inc. D/B/A Excelsior Charter Academy (the "Charter School"), we offer readers of the Charter School's financial statements this narrative overview and analysis of the financial activities of the Charter School for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here through page 9 of this report.

Overview of the financial statements

The discussion and analysis is intended to serve as an introduction to the Charter School's basic financial statements. The Charter School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements, which consist of the statement of Net Position and the statement of activities, are designed to provide readers with a broad overview of the Charter School's finances, in a manner similar to a private sector business.

The statement of Net Position provides information on all the Charter School's assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the Charter School is improving or deteriorating. However, as a governmental entity, the Charter School's activities are not geared towards generating profit as are the activities of commercial entities. Other factors such as the safety at the Charter School and quality of education, must be considered in order to reasonably assess the Charter School's overall performance.

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

The government-wide financial statements can be found on pages 11-12 of this report.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School, like other state and local governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Charter School has only one category of funds – governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term, inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Charter School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Charter School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements.

The notes to the financial statements can be found on pages 18-26 of this report.

Supplementary Information

In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Charter School's adopted budget to actual results.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table presents an analysis of the condensed government-wide statements of net position:

CONDENSED STATEMENT OF NET POSITION

	Net Position June 30, 2017	Net Position June 30, 2016	Variance
Current assets	\$ 474,398	\$ 565,142	\$ (90,744)
Noncurrent assets	-	-	-
Capital assets, net of depreciation	<u>218,512</u>	<u>15,370</u>	<u>203,142</u>
Total assets	<u><u>\$ 692,910</u></u>	<u><u>\$ 580,512</u></u>	<u><u>\$ 112,398</u></u>
Current liabilities	<u>\$ 55,226</u>	<u>\$ 46,348</u>	<u>\$ 8,878</u>
Net Position			
Invested in capital assets	\$ 218,512	\$ 15,370	\$ 203,142
Unrestricted	<u>419,172</u>	<u>518,794</u>	<u>(99,622)</u>
Total Net Position	<u><u>\$ 637,684</u></u>	<u><u>\$ 534,164</u></u>	<u><u>103,520</u></u>
Total Liabilities and Net Position	<u><u>\$ 692,910</u></u>	<u><u>\$ 580,512</u></u>	<u><u>\$ 112,398</u></u>

Total assets approximately 19% due to an increase in student enrollment. At the end of the fiscal year, the Charter School is able to report a positive balance in the total net position with a net increase for the year of \$103,520. The Charter School's Net Position also reflects its investment in capital assets (e.g. buildings, building improvements, furniture, fixtures and equipment), net of related debt. The Charter School uses its capital assets to provide services to students. Consequently, these assets are not available for future spending.

Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2017, the Charter school had no restricted assets. The remaining unrestricted balance may be used in any of the Charter School's ongoing operations.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017

Government-wide Financial Analysis - Continued

The following table presents information on the condensed government-wide statements of changes in net position:

CONDENSED STATEMENT OF CHANGES IN NET POSITION

	2017	2016	Variance
Revenues:			
General revenues	\$ 2,842,390	\$ 2,252,646	\$ 589,744
Program revenues:			
Charges for services	2,016	233	1,783
Capital grants and contributions	115,114	50,238	64,876
Operating grants and contributions	325,537	230,158	95,379
Total revenues	<u>3,285,057</u>	<u>2,533,275</u>	<u>751,782</u>
Expenses:			
Instruction	1,468,784	1,072,512	396,272
Pupil personnel services	44,769	7,793	36,976
Instructional support services	1,000	13,000	(12,000)
School Board	9,750	11,500	(1,750)
General administration	357,165	299,668	57,497
School administration	265,474	200,128	65,346
Facilities Acquisition and Construction	393,750	318,334	75,416
Fiscal services	7,924	6,111	1,813
Food services	182,705	129,271	53,434
Information technology	3,753	-	3,753
Pupil transportation services	97,150	68,800	28,350
Operation of plant	296,918	157,867	139,051
Maintenance of plant	9,772	-	9,772
Unallocated depreciation expense	42,623	7,938	34,685
Total expenses	<u>3,181,537</u>	<u>2,292,922</u>	<u>888,615</u>
Change in Net Position	103,520	240,353	(136,833)
Net Position - July 1, 2016	534,164	293,811	240,353
Net Position - June 30, 2017	<u>\$ 637,684</u>	<u>\$ 534,164</u>	<u>\$ 103,520</u>

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017

Government-wide financial analysis - Continued

- At the end of the fiscal year there were 408 students in grades kindergarten to 8th grade. Revenues are based on the amount received per student from the State through the School Board of Miami-Dade County.
- Instruction expenses increased \$396,272 from the prior year. Expenses for instruction are the result of teachers' salaries and related benefits, and also materials and supplies that directly impact student learning.
- General administration increased \$57,497 from the prior year due primarily to increases in enrollment.
- Facilities and acquisition increased \$75,416 from the prior year due to an increase in lease payments as enrollment increases.
- Expense for pupil transportation services is due to the transportation of students to and from school.
- Plant operations expenses consist of utilities, communications, insurance cost, support personnel and related benefits.

Financial Analysis of the Charter School's Funds

As noted earlier, the Charter School uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The focus of the Charter School's governmental funds is to provide information on near-term inflows, outflows and spendable resources. Such information is useful in assessing the Charter School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Charter School's net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2017 the Charter School's governmental fund reported a positive ending fund balance of \$419,172.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017

Budgetary Highlights

Prior to the start of the School's fiscal year, the Board of directors of the School adopted an annual budget. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the School's budget. Budget to actual comparisons for fiscal year 2017 are presented on Page 28.

Variances reported in the budget to actual comparison for fiscal year 2017 resulted primarily from the following:

2017-

- Total miscellaneous revenues were lower than budgeted because the school raised less money than expected.
- General administration fees were lower because of lower than expected enrollment.
- The maintenance of plant expenses were lower cost because less repair work was needed than anticipated.
- Food costs were lower than projected because of a change in vendors with lower food costs.

Capital Assets and Debt Administration

As of June 30, 2017 the Charter School had investment in capital assets of \$218,512. This amount is net of accumulated depreciation of \$225,829. Capital assets additions in the current year include new computers and furniture.

The Charter School has no outstanding debt.

Economic Factors

During fiscal year 2017, the Charter School experienced an increase in its net position of 19%. The major contributing factor was due to an increased in the student population.

**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2017**

School Enrollment

During the fiscal years June 30, 2017, the grade levels at the Charter School ranged from Grade K through Grade 8th, with a total enrollment of 408 students.

Requests for Information

The financial report is designed to provide a general overview of the Charter School's finances for all those with an interest in the School's finances. Questions concerning any of the information should be addressed to Ms. Claudia Trilles, President, at 18200 NW 22nd Ave, Miami Gardens, FL 33056.

**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY**

A CHARTER SCHOOL AND COMPONENT UNIT OF THE MIAMI-DADE

COUNTY DISTRICT SCHOOL BOARD

BASIC FINANCIAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2017

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
Assets	
Cash	\$ 369,692
Accounts receivable	7,206
Prepaid expenses	37,500
Deposits	<u>60,000</u>
	474,398
Furniture, fixtures and equipment	444,341
Less accumulated depreciation	<u>(225,829)</u>
	218,512
Total Assets	<u><u>\$ 692,910</u></u>
Liabilities	
Salaries and wages payable	<u>55,226</u>
Total liabilities	<u>\$ 55,226</u>
Net Position	
Invested in capital assets, Net of Related Debt	\$ 218,512
Unrestricted	<u>419,172</u>
Total Net Position	<u><u>\$ 637,684</u></u>
Total Liabilities and Net Position	<u><u>\$ 692,910</u></u>

The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
STATEMENT OF ACTIVITIES
JUNE 30, 2017

	Program Revenues				Net Revenues (Expenses) and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction	\$ 1,468,784	\$ -	\$ 145,394	\$ -	\$ (1,323,390)
Pupil personnel services	44,769	-	-	-	(44,769)
Instructional support services	1,000	-	-	-	(1,000)
School Board	9,750	-	-	-	(9,750)
General administration	357,165	-	-	-	(357,165)
School administration	265,474	-	-	-	(265,474)
Facilities Acquisition and Construction	393,750	-	-	115,114	(278,636)
Fiscal services	7,924	-	-	-	(7,924)
Food services	182,705	2,016	180,143	-	(546)
Information technology	3,753	-	-	-	(3,753)
Pupil transportation services	97,150	-	-	-	(97,150)
Operation of plant	296,918	-	-	-	(296,918)
Maintenance of plant	9,772	-	-	-	(9,772)
Unallocated depreciation expense	42,623	-	-	-	(42,623)
Total governmental activities	<u>\$ 3,181,537</u>	<u>\$ 2,016</u>	<u>\$ 325,537</u>	<u>\$ 115,114</u>	<u>\$ (2,738,870)</u>
General revenues:					
School Board of Miami- Dade County - FTE					2,797,536
Miscellaneous					<u>44,854</u>
Total general revenues					<u>2,842,390</u>
Change in Net Position					103,520
Net Position - July 1, 2016					534,164
Net Position - June 30, 2017					<u>\$ 637,684</u>

The accompanying notes are an integral part of these statements

**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY**

A CHARTER SCHOOL AND COMPONENT UNIT OF THE MIAMI-DADE

COUNTY DISTRICT SCHOOL BOARD

FUND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2017

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash	\$ 369,692	\$ -	\$ 369,692
Accounts Receivable	7,206	-	7,206
Due from other funds	-	40,744	40,744
Prepaid expenses	37,500	-	37,500
Deposits	60,000	-	60,000
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 474,398</u>	<u>\$ 40,744</u>	<u>\$ 515,142</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Salaries and wages payable	\$ 55,226	\$ -	\$ 55,226
Due to other funds	40,744	-	40,744
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 95,970</u>	<u>\$ -</u>	<u>\$ 95,970</u>
Fund Balances:			
Nonspendable			
Deposit receivable	7,206	-	7,206
Unassigned	371,222	40,744	411,966
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>378,428</u>	<u>40,744</u>	<u>419,172</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 474,398</u>	<u>\$ 40,744</u>	<u>\$ 515,142</u>

The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances- Governmental funds, page 14	\$ 419,172
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Amounts reported for governmental activities in the Statement of Net
Position are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds.

Cost of capital assets	\$ 444,341	
Accumulated depreciation	<u>(225,829)</u>	218,512

Total Net Position - governmental activities, page 11	<u><u>\$ 637,684</u></u>
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The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR CHARTER ACADEMY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE – GOVERNMENTAL FUND
JUNE 30, 2017

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
Miami-Dade County Public Schools	\$ 2,797,536	\$ -	\$ 2,797,536
Operating Grants and Contributions	145,394	180,143	325,537
Capital Grants and Contributions	115,114	-	115,114
Charges for Services	-	2,016	2,016
Miscellaneous Revenue	44,854	-	44,854
Total revenues	<u>3,102,898</u>	<u>182,159</u>	<u>3,285,057</u>
Expenditures			
Instruction	1,468,784	-	1,468,784
Pupil personnel services	44,769	-	44,769
Instructional support services	1,000	-	1,000
School Board	9,750	-	9,750
General administration	357,165	-	357,165
School administration	265,474	-	265,474
Facilities Acquisition and Construction	393,750	-	393,750
Fiscal services	7,924	-	7,924
Food services	-	182,705	182,705
Information technology	3,753	-	3,753
Pupil transportation services	97,150	-	97,150
Operation of plant	249,918	47,000	296,918
Maintenance of plant	9,772	-	9,772
Capital outlay:			
Furniture & equipment	245,765	-	245,765
Total current expenditure	<u>3,154,974</u>	<u>229,705</u>	<u>3,384,679</u>
Excess (deficit) of Revenues over expenditures	(52,076)	(47,546)	(99,622)
Fund balance - July 1, 2016	430,504	88,290	518,794
Fund balance - June 30, 2017	<u>\$ 378,428</u>	<u>\$ 40,744</u>	<u>\$ 419,172</u>

The accompanying notes are an integral part of these statements