

**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, 2016**

**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, 2012**

**TABLE OF CONTENTS**

	<b>PAGE(S)</b>
Independent Auditors' Report.....	1-2
Required Supplementary Information	
Management's discussion and analysis (Unaudited).....	3-9
Basic Financial Statements	
Statement of Net Position.....	11
Statement of activities.....	12
Fund Financial Statements:	
Governmental Funds:	
Balance sheet.....	14
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position.....	15
Statement of revenues, expenditures and change in fund balance.....	16
Reconciliation of the Statement of Revenue, Expenditures and Changes In Fund Balance of Governmental Funds to the Statement of Activities.....	17
Notes to basic financial.....	18-26
Supplementary Information (Unaudited)	
Budgetary comparison schedule.....	28
Notes to supplementary information.....	29
Reports Required by Government Auditing Standards	
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 <i>Government Auditing Standards</i> .....	30-31
Management Letter Required by Chapter 10.850 Rules of the Auditor General of the State of Florida.....	32-34



## **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, 2016, 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.

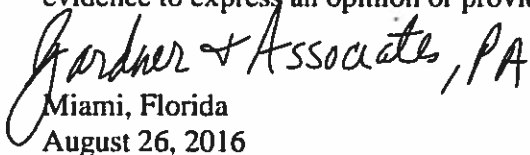
**Opinion**

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, 2016, 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 26, 2016, 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.

  
Miami, Florida  
August 26, 2016

**EXCELSIOR ACADEMIES, INC.  
D/B/A EXCELSIOR CHARTER ACADEMY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2016**

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, 2016. 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, 2016**

**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, 2016**

**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, 2016	Net Position June 30, 2015	Variance
Current assets	\$ 565,142	\$ 347,223	\$ 217,919
Noncurrent assets	-	-	-
Capital assets, net of depreciation	<u>15,370</u>	<u>9,693</u>	<u>5,677</u>
Total assets	<u>\$ 580,512</u>	<u>\$ 356,916</u>	<u>\$ 223,596</u>
Current liabilities	<u>\$ 46,348</u>	<u>\$ 63,105</u>	<u>\$ (16,757)</u>
Net Position			
Invested in capital assets	\$ 15,370	\$ 9,693	\$ 5,677
Unrestricted	<u>518,794</u>	<u>284,118</u>	<u>234,676</u>
Total Net Position	<u>\$ 534,164</u>	<u>\$ 293,811</u>	<u>240,353</u>
Total Liabilities and Net Position	<u>\$ 580,512</u>	<u>\$ 356,916</u>	<u>\$ 223,596</u>

Current assets increased 63% 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 \$210,376. 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.

Unrestricted assets increased 83% due to an increase in student enrollment.

Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2016, 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, 2016**

**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**

	<u>2016</u>	<u>2015</u>	<u>Variance</u>
Revenues:			
General revenues	\$ 2,252,646	\$ 1,675,036	\$ 577,610
Program revenues:			
Charges for services	233	545	(312)
Capital grants and contributions	50,238	81,434	(31,196)
Operating grants and contributions	<u>230,158</u>	<u>216,329</u>	<u>13,829</u>
Total revenues	<u>2,533,275</u>	<u>1,973,344</u>	<u>559,931</u>
Expenses:			
Instruction	1,072,512	881,040	191,472
Pupil personnel services	7,793	6,536	1,257
Instruction and Curriculum Development Service	13,000	33,000	(20,000)
School Board	11,500	9,750	1,750
General administration	299,668	238,773	60,895
School administration	200,128	202,452	(2,324)
Facilities Acquisition and Construction	318,334	223,245	95,089
Fiscal services	6,111	5,723	388
Food services	129,271	117,178	12,093
Central services	-	540	(540)
Pupil transportation services	68,800	62,550	6,250
Operation of plant	157,867	153,387	4,480
Unallocated depreciation expense	<u>7,938</u>	<u>9,193</u>	<u>(1,255)</u>
Total expenses	<u>2,292,922</u>	<u>1,943,367</u>	<u>349,555</u>
Change in Net Position	240,353	29,977	210,376
Net Position - July 1, 2015	<u>293,811</u>	<u>263,834</u>	<u>29,977</u>
Net Position - June 30, 2016	<u>\$ 534,164</u>	<u>\$ 293,811</u>	<u>\$ 240,353</u>



**EXCELSIOR ACADEMIES, INC.  
D/B/A EXCELSIOR CHARTER ACADEMY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2016**

**Government-wide financial analysis - Continued**

- At the end of the fiscal year there were 339 students in grades kindergarten to 9<sup>th</sup> grade. Revenues are based on the amount received per student from the State through the School Board of Miami-Dade County.
- Instruction expenses increased \$191,472 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 \$60,895 from the prior year due primarily to increases in enrollment.
- Facilities and acquisition increased \$95,089 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 2016 the Charter School's governmental fund reported a positive ending fund balance of \$534,164.

**EXCELSIOR ACADEMIES, INC.  
D/B/A EXCELSIOR CHARTER ACADEMY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
YEAR ENDED JUNE 30, 2016**

**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 2016 are presented on Page 28.

Variances reported in the budget to actual comparison for fiscal year 2016 resulted primarily from the following:

**2016-**

- The Charter School's budget-to-actual reports found on page 28 reflects significant positive and negative variances in almost all categories, this is due mainly to an increase in enrollment.
- Total revenues for the year was over the budget in the general fund by \$67,194 and under budget in the special revenue fund under by \$27,864. This was due to an increase in student enrollment.
- Facilities acquisition and construction experienced an increase of \$178,548, due to an increase in enrollment and the need for additional classroom space.
- The operation of plant line item experienced an increase than the amount budgeted due to increased enrollment and its related operational cost.

**Capital Assets and Debt Administration**

As of June 30, 2016 the Charter School had investment in capital assets of \$15,370. This amount is net of accumulated depreciation of \$183,206. Capital assets additions in the current year include new computers and furniture.

The Charter School has no outstanding debt.

**Economic Factors**

During fiscal year 2016, the Charter School experienced an increase in its net position of 82%. 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, 2016**

**School Enrollment**

During the fiscal years June 30, 2016, the grade levels at the Charter School ranged from Grade K through Grade 9<sup>th</sup>, with a total enrollment of 339 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 22<sup>nd</sup> 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, 2016**

**EXCELSIOR ACADEMIES, INC.  
D/B/A EXCELSIOR CHARTER ACADEMY  
STATEMENT OF NET POSITION  
JUNE 30, 2016**

	<u>Governmental Activities</u>
<b>Assets</b>	
Cash	\$ 482,285
Accounts receivable	22,857
Prepaid expenses	-
Deposits	<u>60,000</u>
	565,142
Furniture, fixtures and equipment	198,576
Less accumulated depreciation	<u>(183,206)</u>
	15,370
 Total Assets	 <u><u>\$ 580,512</u></u>
<b>Liabilities</b>	
Salaries and wages payable	<u>46,348</u>
 Total liabilities	 <u>\$ 46,348</u>
<b>Net Position</b>	
Invested in capital assets, Net of Related Debt	\$ 15,370
Unrestricted	<u>518,794</u>
 Total Net Position	 <u><u>\$ 534,164</u></u>
 Total Liabilities and Net Position	 <u><u>\$ 580,512</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, 2016**

	<u>Program Revenues</u>				Net Revenues (Expenses) and Change in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities					
Instruction	\$ 1,072,512	\$ -	\$ 64,303	\$ -	\$ (1,008,209)
Pupil personnel services	7,793	-	-	-	(7,793)
Instruction and Curriculum Development	13,000	-	-	-	(13,000)
School Board	11,500	-	-	-	(11,500)
General administration	299,668	-	-	-	(299,668)
School administration	200,128	-	-	-	(200,128)
Facilities Acquisition and Construction	318,334	-	-	50,238	(268,096)
Fiscal services	6,111	-	-	-	(6,111)
Food services	129,271	233	165,855	-	36,817
Pupil transportation services	68,800	-	-	-	(68,800)
Operation of plant	157,867	-	-	-	(157,867)
Unallocated depreciation expense	7,938	-	-	-	(7,938)
Total governmental activities	<u>\$ 2,292,922</u>	<u>\$ 233</u>	<u>\$ 230,158</u>	<u>\$ 50,238</u>	<u>\$ (2,012,293)</u>
General revenues:					
School Board of Miami- Dade County - FTE					2,247,715
Miscellaneous					<u>4,931</u>
Total general revenues					<u>2,252,646</u>
Change in Net Position					240,353
Net Position - July 1, 2015					293,811
Net Position - June 30, 2016					<u>\$ 534,164</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, 2016**

**EXCELSIOR ACADEMIES, INC.**  
**D/B/A EXCELSIOR CHARTER ACADEMY**  
**BALANCE SHEET – GOVERNMENTAL FUND**  
**JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 482,285	\$ -	\$ 482,285
Accounts Receivable	4,468	18,389	22,857
Due from other funds	-	69,901	69,901
Deposits	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total Assets	<u>\$ 546,753</u>	<u>\$ 88,290</u>	<u>\$ 635,043</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Salaries and wages payable	\$ 46,348	\$ -	\$ 46,348
Due to other funds	<u>69,901</u>	<u>-</u>	<u>69,901</u>
Total liabilities	<u>\$ 116,249</u>	<u>\$ -</u>	<u>\$ 116,249</u>
<b>Fund Balances:</b>			
<b>Nonspendable</b>			
Deposit receivable	4,468	18,389	22,857
Unassigned	<u>426,036</u>	<u>69,901</u>	<u>495,937</u>
Total fund balances	<u>430,504</u>	<u>88,290</u>	<u>518,794</u>
Total Liabilities and Fund Balances	<u>\$ 546,753</u>	<u>\$ 88,290</u>	<u>\$ 635,043</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, 2016**

Total fund balances- Governmental funds, page 14	\$	518,794
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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	\$	198,576	
Accumulated depreciation		<u>(183,206)</u>	15,370

Total Net Position - governmental activities, page 11	\$	<u><u>534,164</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, 2016**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>Revenues</b>			
Miami-Dade County Public Schools	\$ 2,247,715	\$ -	\$ 2,247,715
Operating Grants and Contributions	64,303	165,855	230,158
Capital Grants and Contributions	50,238	-	50,238
Charges for Services		233	233
Miscellaneous Revenue	4,931	-	4,931
<b>Total revenues</b>	<u>2,367,187</u>	<u>166,088</u>	<u>2,533,275</u>
<b>Expenditures</b>			
Instruction	1,072,512	-	1,072,512
Pupil personnel services	7,793	-	7,793
Instruction and Curriculum Development Service	13,000	-	13,000
School Board	11,500	-	11,500
General administration	299,668	-	299,668
School administration	200,128	-	200,128
Facilities Acquisition and Construction	318,334	-	318,334
Fiscal services	6,111	-	6,111
Food services	-	129,271	129,271
Pupil transportation services	68,800	-	68,800
Operation of plant	157,867	-	157,867
Capital outlay:			
Furniture & equipment	13,615	-	13,615
<b>Total current expenditure</b>	<u>2,169,328</u>	<u>129,271</u>	<u>2,298,599</u>
<b>Excess (deficit) of Revenues over expenditures</b>	197,859	36,817	234,676
<b>Fund balance - July 1, 2015</b>	232,645	51,473	284,118
<b>Fund balance - June 30, 2016</b>	<u>\$ 430,504</u>	<u>\$ 88,290</u>	<u>\$ 518,794</u>

**The accompanying notes are an integral part of these statements**

**EXCELSIOR ACADEMIES, INC.  
D/B/A EXCELSIOR CHARTER ACADEMY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT  
OF ACTIVITIES  
JUNE 30, 2016**

Total net changes in fund balance - governmental funds, Page 16	\$	234,676
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Amounts reported for governmental activities in the statement of Net Position are different because:

Capital outlays are reported in governmental funds as expenditures however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Cost of capital assets purchased	\$	13,615	
Provision for depreciation		<u>(7,938)</u>	5,677

Change in Net Position of governmental activities, Page 12	\$	<u><u>240,353</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  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Nature of Operations**

Excelsior Academies, Inc. (the “Charter School”) is a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 228.056, Florida Statutes. The Charter School operates under a Charter approved by its sponsor, the Miami-Dade County District School Board. The governing body of the Charter School is the not-for-profit corporation’s Board of Directors which is composed of three (3) members.

The Charter School provides educational services to students in grades kindergarten through sixth. The core philosophy and purpose of the Charter School is to demonstrate that the Charter School’s students can learn at high levels through an academically rigorous and innovative curriculum that incorporates the development of good character.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity:**

The Charter School operates under a charter of the sponsoring school district, Miami-Dade County District School Board (the “District”). The current charter is effective until June 30, 2016, and may be renewed in increments of 5 to 15 years by mutual agreement between the Charter School and the District. At the end of the term of the charter, the District may choose not to renew the charter under the grounds specified in the charter in which case the District is required to notify the Charter School in writing at least 90 days prior to the Charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. Academir Charter School, Inc. is considered a component unit of the Miami-Dade County District School Board.

Criteria of determining if other entities are potential component units which should be reported within the Charter School’s financial statements are identified and described in the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the Charter School is financially accountable and other organizations for which the nature and significance of their relationship with the