

**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR LANGUAGE ACADEMY OF HIALEAH
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 LANGUAGE ACADEMY OF HIALEAH
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
MIAMI-DADE COUNTY DISTRICT SCHOOL BOARD
JUNE 30, 2016**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Excelsior Academies, Inc.
D/B/A Excelsior Language Academy of Hialeah
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 Language Academy of Hialeah (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 28–30 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 26, 2016

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

As management of the Excelsior Academies, Inc. D/B/A Excelsior Language Academy of Hialeah (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 8 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 LANGUAGE ACADEMY OF HIALEAH
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 18-27 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 LANGUAGE ACADEMY OF HIALEAH
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	\$ 242,607	\$ 205,324	\$ 37,283
Noncurrent assets			
Capital assets, net of depreciation	17,907	19,487	(1,580)
Total assets	\$ 260,514	\$ 224,811	\$ 35,703
Current liabilities	\$ 29,610	\$ 155,400	\$ (125,790)
Long term liabilities	\$ 6,129	\$ 26,559.00	\$ (20,430)
Net Position			
Invested in capital assets, Net of Related Debt	\$ 17,907	\$ 19,487	\$ (1,580)
Unrestricted	206,868	23,365	183,503
Total Net Position	\$ 224,775	\$ 42,852	\$ 181,923
Total Liabilities and Net Position	\$ 260,514	\$ 224,811	\$ 35,703

Current assets increased 18% 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 net position of \$224,775. Capital assets (e.g. buildings, building improvements, furniture, fixtures and equipment), net of related debt, decreased 8%. The Charter School uses its capital assets to provide services to students. Consequently, these assets are not available for future spending.

Unrestricted assets increased significantly 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 LANGUAGE ACADEMY OF HIALEAH
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:			
School Board of Miami- Dade County - FTE	\$ 1,740,755	\$ 1,542,630	\$ 198,125
Program revenues:			
Charges for services	930	1,400	(470)
Capital outlay and contributions	39,029	75,054	(36,025)
Operating grants and contributions	163,090	168,075	(4,985)
Miscellaneous	38,483	36,322	2,161
Total revenues	<u>1,982,287</u>	<u>1,823,481</u>	<u>158,806</u>
Expenses:			
Instruction	759,670	757,679	1,991
Pupil personnel services	4,331	5,875	(1,544)
Instruction and Curriculum Development Service	8,821	10,000	(1,179)
School Board	6,500	7,190	(690)
General administration	250,119	224,598	25,521
School administration	188,759	160,022	28,737
Facilities Acquisition and Construction	286,443	333,100	(46,657)
Fiscal services	5,561	4,247	1,314
Food services	100,830	110,773	(9,943)
Central services	-	105	(105)
Pupil transportation services	2,590	2,850	(260)
Operation of plant	176,250	182,015	(5,765)
Unallocated depreciation expense	10,490	45,582	(35,092)
Total expenses	<u>1,800,364</u>	<u>1,844,036</u>	<u>(43,672)</u>
Change in Net Position	181,923	(20,555)	202,478
Net Position - July 1, 2015	42,852	63,407	(20,555)
Net Position - June 30, 2016	<u>\$ 224,775</u>	<u>\$ 42,852</u>	<u>\$ 181,923</u>

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR LANGUAGE ACADEMY OF HIALEAH
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 259 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.
- Expenses for instruction are the result of teachers' salaries and related benefits, and also materials and supplies that directly impact student learning.
- School administration is due primarily to administrator and other administrative personnel and related benefits as well as administrative costs.
- Facilities and acquisition increased due to an increase in enrollment and student population.
- Expense for pupil transportation services were minimal, due to the short distance of many students residing closely to the 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 \$ 206,868.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR LANGUAGE ACADEMY OF HIALEAH
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 29.

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 report found on page 29 reflects positive and negative variances in almost all categories.
- Total revenues for the year exceed the budget by \$140,946. This due to an increase in student enrollment and receiving other unexpected funds.
- The instruction item did not exceed the budget because of a reduction in instructional expenses.
- The general/school administration line item exceeded budget due to an increase in the student enrollment.

Capital Assets and Debt Administration

As of June 30, 2016 the Charter School had investment in capital assets of \$17,907. This amount is net of accumulated depreciation of \$528,093.

Economic Factors

During fiscal year 2016, the Charter School experienced an increase in its net position. The contributing factor was an increase in student enrollment.

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

School Enrollment

During the fiscal year 2016, the grade levels at the Charter School ranged from Grade K through Grade 8, with a total enrollment of 259 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 3490 NW 191st Street, Miami Gardens, FL 33056.

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

		Governmental Activities
Assets		
Cash	\$	159,284
Accounts receivable		3,723
Deposits		79,600
		242,607
Capital Assets		546,000
Less accumulated depreciation		(528,093)
		17,907
Total Assets	\$	260,514
Liabilities		
Salaries and wages payable		29,610
Total liabilities	\$	29,610
Note payable	\$	6,129
Net Position		
Invested in capital assets, Net of related debt	\$	17,907
Unrestricted		206,868
		224,775
Total Net Position	\$	224,775
Total Liabilities and Net Position	\$	260,514

The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR LANGUAGE ACADEMY OF HIALEAH
STATEMENT OF ACTIVITIES
JUNE 30, 2016

Governmental activities	Expenses	Program Revenues			Net Revenues (Expenses) and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 759,670	\$ -	\$ 41,097	\$ -	\$ (718,573)
Pupil personnel services	4,331	-	-	-	(4,331)
Instruction and Curriculum Development	8,821	-	-	-	(8,821)
School Board	6,500	-	-	-	(6,500)
General administration	250,119	-	-	-	(250,119)
School administration	188,759	-	-	-	(188,759)
Facilities Acquisition and Construction	286,443	-	-	39,029	(247,414)
Fiscal services	5,561	-	-	-	(5,561)
Food services	100,830	930	121,993	-	22,093
Pupil transportation services	2,590	-	-	-	(2,590)
Operation of plant	176,250	-	-	-	(176,250)
Unallocated depreciation expense	10,490	-	-	-	(10,490)
Total governmental activities	\$ 1,800,364	\$ 930	\$ 163,090	\$ 39,029	\$ (1,597,315)

General revenues:

School Board of Miami- Dade County - FTE	1,740,755
Miscellaneous	38,483
Total general revenues	1,779,238
Change in net position	181,923
Net position - July 1, 2015	42,852
Net position - June 30, 2016	\$ 224,775

The accompanying notes are an integral part of these statements

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

	General Fund	Special Revenue Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 159,284	\$ -	\$ 159,284
Accounts receivable	3,723	-	3,723
Due from other funds	-	30,466	30,466
Deposits	<u>79,600</u>	<u>-</u>	<u>79,600</u>
 Total Assets	 <u>\$ 242,607</u>	 <u>\$ 30,466</u>	 <u>\$ 273,073</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Salaries and wages payable	\$ 29,610	\$ -	\$ 29,610
Due to other funds	<u>30,466</u>	<u>-</u>	<u>30,466</u>
 Total liabilities	 <u>\$ 60,076</u>	 <u>\$ -</u>	 <u>\$ 60,076</u>
 Note payable	 <u>\$ 6,129</u>	 <u>\$ -</u>	 <u>6,129</u>
Fund Balances:			
Nonspendable:			
Deposits	\$ 79,600	\$ -	\$ 79,600
Unassigned	<u>96,802</u>	<u>30,466</u>	<u>127,268</u>
 Total fund balances	 <u>\$ 176,402</u>	 <u>\$ 30,466</u>	 <u>\$ 206,868</u>
 Total Liabilities and Fund Balances	 <u>\$ 242,607</u>	 <u>\$ 30,466</u>	 <u>\$ 273,073</u>

The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR LANGUAGE ACADEMY OF HIALEAH
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2016

Total fund balances- Governmental funds, page 14	\$	206,868
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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	\$	546,000	
Accumulated depreciation		<u>(528,093)</u>	17,907
Total Net Position - governmental activities, page 11	\$		<u><u>224,775</u></u>

The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR LANGUAGE ACADEMY OF HIALEAH
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE – GOVERNMENTAL FUND
JUNE 30, 2016

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
Miami-Dade County Public Schools	\$ 1,740,755	\$ -	\$ 1,740,755
Operating grants and contributions	41,097	121,993	163,090
Capital outlay and other contributions	39,029	-	39,029
Charges for services	-	930	930
Miscellaneous revenues	38,483	-	38,483
Total revenues	1,859,364	122,923	1,982,287
Expenditures			
Instruction	759,670	-	759,670
Pupil personnel services	4,331	-	4,331
Instruction and curriculum development service	8,821	-	8,821
School board	6,500	-	6,500
General administration	250,119	-	250,119
School administration	188,759	-	188,759
Facilities acquisition and construction	286,443	-	286,443
Fiscal services	5,561	-	5,561
Food services	-	100,830	100,830
Pupil transportation services	2,590	-	2,590
Operation of plant	176,250	-	176,250
Capital outlay:			
Furniture & equipment	8,910	-	8,910
Total current expenditure	1,697,954	100,830	1,798,784
Excess (deficit) of revenues over expenditures	161,410	22,093	183,503
Fund balance - July 1, 2015	14,992	8,373	23,365
Fund balance - June 30, 2016	\$ 176,402	\$ 30,466	\$ 206,868

The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR LANGUAGE ACADEMY OF HIALEAH
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	\$	183,503
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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	\$	8,910	
Provision for depreciation		<u>(10,490)</u>	(1,580)

Change in Net Position of governmental activities, Page 12	\$	<u><u>181,923</u></u>
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The accompanying notes are an integral part of these statements