

**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL 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, 2022**



**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of Excelsior Academies, Inc. D/B/A Excelsior Prep Charter school 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, 2022, which comprises the Charter School's basic financial statement as listed in the table of contents for the year then ended, and the related notes to the financial statements.

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 Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah as of June 30, 2022, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 generally accepted 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, including omissions, 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 generally accepted 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah'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 Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah '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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The management's discussion and analysis and budgetary comparison information on pages 6-11 and 31-32 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial

Supplementary Information (Cont.)

statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2022, 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.



Thomas & Company CPA PA
Cooper City, Florida
September 15, 2022

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2022

As management of the Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School 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, 2022. We encourage readers to consider the information presented here through page 11 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’ 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 13-14 of this report.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2022

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 16-19 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 20-29 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 PREP CHARTER SCHOOL OF HIALEAH
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2022

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, 2022	Net Position June 30, 2021	Variance
Current assets	\$ 1,003,077	\$ 481,654	\$ 521,423
Noncurrent assets			
Capital assets, net of depreciation	<u>366,644</u>	<u>63,847</u>	<u>302,797</u>
Total assets	<u>1,369,721</u>	<u>545,501</u>	<u>824,220</u>
Current liabilities	<u>184,855</u>	<u>158,797</u>	<u>26,058</u>
Long term liabilities	<u>478,143</u>	<u>83,744</u>	<u>394,399</u>
Net Position			
Invested in capital assets, Net of Related Debt	366,644	63,847	302,797
Unrestricted	<u>340,079</u>	<u>239,113</u>	<u>100,966</u>
Total Net Position	<u>706,723</u>	<u>302,960</u>	<u>403,763</u>
Total Liabilities and Net Position	<u>\$ 1,369,721</u>	<u>\$ 545,501</u>	<u>\$ 824,220</u>

At the end of the fiscal year, the Charter School reports a positive balance in net position. The Charter School’s net position reflects its investment in Capital assets (e.g. buildings, building improvements, furniture, fixtures and equipment), net of related debt, increased. The Charter School uses its capital assets to provide services to students. Consequently, these assets are not available for future spending.

Unrestricted assets increased approximately 42%

Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2022, 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 PREP CHARTER SCHOOL OF HIALEAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2022

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>2022</u>	<u>2021</u>	<u>Variance</u>
Revenues:			
School Board of Miami- Dade County - FTE	\$ 1,830,397	\$ 1,487,308	\$ 343,089
Program revenues:			
Capital outlay and contributions	161,920	122,977	38,943
Operating grants and contributions	1,238,073	387,735	850,338
Miscellaneous	46,513	334,217	(287,704)
Total revenues	<u>3,276,903</u>	<u>2,332,237</u>	<u>944,666</u>
Expenses:			
Instruction	1,450,640	1,012,564	438,076
Pupil personnel services	24,854	8,216	16,638
Instruction and Curriculum Development	12,383	51,637	(39,254)
School Board	-	7,000	(7,000)
General administration	272,369	71,031	201,338
School administration	262,462	200,506	61,956
Fiscal services	7,303	135,315	(128,012)
Food services	110,790	95,041	15,749
Pupil transportation services	3,255	-	3,255
Operation of plant	249,680	507,828	(258,148)
Maintenance of plant	40,791	55,594	(14,803)
Interest expense	9,653	-	9,653
Unallocated depreciation expense	428,960	14,686	414,274
Total expenses	<u>2,873,140</u>	<u>2,159,418</u>	<u>713,722</u>
Change in Net Position	403,763	172,819	230,944
Net Position - July 1,	<u>302,960</u>	<u>130,141</u>	<u>172,819</u>
Net Position - June 30,	<u>\$ 706,723</u>	<u>\$ 302,960</u>	<u>\$ 403,763</u>

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2022

Government-wide financial analysis - Continued

- At the end of the fiscal year there were 245 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.
- 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 2022 the Charter School's governmental fund reported a positive ending fund balance of \$ 340,079.

Capital Assets and Debt Administration

As of June 30, 2022, the Charter School had investment in capital assets of \$366,644. This amount is net of accumulated depreciation of \$1,032,006. Capital assets additions in the current year include leased property, new computers, and furniture. The leased property was the largest capital addition which was capitalized using the present value of future payments. A more detailed analysis is provided in Note C.

The Charter School's outstanding debt consisted of the lease liability with the implementation of *GASB Statement 87*.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2022

Economic Factors & Budget Highlights

The following economic indicators were taken into account when adopting the general fund budget for fiscal year 2022-23:

1. Student membership and FEFP funding per pupil
2. Cost of goods and services
3. Competitive employee compensation

Amounts available for appropriation in the general fund are \$3,733,656, an approximate 83% increase from the actual 2022 amount. A predominate factor affecting the budget is the school's funded student membership. The funded membership for the fiscal year is 100 percent of June 2022 student count. The fiscal year 2022-23 budget is based on a slightly lower student count as the official student membership count funded in 2021-22. During the year, aggregate revenues are expected to increase as the student membership decreases below the actual student count from the 2022 school year due to the fact there was an increase to the student allocation per student FTE.

Budgeted general fund expenditures are expected to decrease to \$3,021,836, or 7%, from the fiscal 2022 actual figure. The school is allocating resources to enhance academic achievement at all student-learning levels and for anticipated student membership. The 2022-23 budget expenditure base includes salary increases, the rising cost of health care and increases in other fixed recurring costs for School operations.

If these estimates are realized, the school's general fund balance is expected to increase by the close of fiscal 2023.

School Enrollment

During the fiscal year 2022, the grade levels at the Charter School ranged from Grade K through Grade 8, with a total enrollment of 245 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 the Director, at 18200 NW 22nd Avenue, Miami Gardens, FL 33056.

**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL 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, 2022**

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
STATEMENT OF NET POSITION
JUNE 30, 2022

		Governmental Activities
Assets		
Cash	\$	234,631
Accounts receivable		688,846
Deposits		79,600
		1,003,077
Capital Assets		1,398,650
Less accumulated depreciation		(1,032,006)
		366,644
Total Assets	\$	1,369,721
Liabilities		
Accounts payable	\$	75,898
Salaries and wages payable		42,028
Due to other agencies		66,929
		184,855
Total liabilities		184,855
Note payable		150,928
Lease asset liability		327,215
		478,143
Net Position		
Invested in capital assets, Net of related debt		366,644
Unrestricted		340,079
		706,723
Total Net Position		706,723
Total Liabilities and Net Position	\$	1,369,721

The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
STATEMENT OF ACTIVITIES
JUNE 30, 2022

	Program Revenues				Net Revenues (Expenses) and Change in Net Position
Governmental activities	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 1,450,640	\$ -	\$ 936,555	\$ -	(514,085)
Pupil personnel services	24,854	-	-	-	(24,854)
Instruction and Curriculum Development	12,383	-	-	-	(12,383)
General administration	272,369	-	-	-	(272,369)
School administration	262,462	-	4,844	-	(257,618)
Fiscal services	7,303	-	-	-	(7,303)
Food services	110,790	-	189,541	-	78,751
Pupil transportation services	3,255	-	-	-	(3,255)
Operation of plant	249,680	-	102,015	161,920	14,255
Maintenance of plant	40,791	-	5,118	-	(35,673)
Interest expense	9,653	-	-	-	(9,653)
Unallocated depreciation/amortization	428,960	-	-	-	(428,960)
	\$ 2,873,140	\$ -	\$ 1,238,073	\$ 161,920	\$ (1,473,147)
General revenues:					
					1,830,397
					46,513
					1,876,910
					403,763
					302,960
					\$ 706,723

The accompanying notes are an integral part of these statements

**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL 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, 2022**

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2022

	General Fund	Grant Fund	Total Governmental Funds
ASSETS			
Cash	\$ 234,631	\$ -	\$ 234,631
Accounts receivable	19,593	669,253	688,846
Due from other funds	-	294,086	294,086
Deposits	79,600	-	79,600
Total Assets	\$ 333,824	\$ 963,339	\$ 1,297,163
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 75,898	\$ -	\$ 75,898
Salaries and wages payable	42,028	-	42,028
Due to other funds	294,086	-	294,086
Due to other agencies	66,929	-	66,929
Total liabilities	478,941	-	478,941
Fund Balances:			
Restricted:			
Capital Outlay	19,593	-	19,593
Nonspendable:			
Deposits	79,600	-	79,600
Unassigned	(244,310)	963,339	719,029
Total fund balances	(145,117)	963,339	818,222
Total Liabilities and Fund Balances	\$ 333,824	\$ 963,339	\$ 1,297,163

The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balances- Governmental funds	\$	818,222
<p style="margin-left: 40px;">Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p style="margin-left: 40px;">Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of capital assets	\$ 1,398,650	
Accumulated depreciation	<u>(1,032,006)</u>	366,644
<p style="margin-left: 40px;">Long-term are not due and payable in the current period and therefore are not reported in the governmental funds</p>		
Lease liability		(327,215)
Note payable		(150,928)
Total Net Position - governmental activities	\$	<u><u>706,723</u></u>

The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE – GOVERNMENTAL FUND
JUNE 30, 2022

	General Fund	Grant Fund	Total Governmental Funds
Revenues			
Miami-Dade County Public Schools	\$ 1,830,397	\$ -	\$ 1,830,397
Operating grants and contributions	-	1,238,073	1,238,073
Capital outlay and other contributions	161,920	-	161,920
Miscellaneous revenues	46,513	-	46,513
Total revenues	2,038,830	1,238,073	3,276,903
Expenditures			
Instruction	1,192,092	258,548	1,450,640
Pupil personnel services	24,854	-	24,854
Instruction and curriculum development	12,383	-	12,383
General administration	272,369	-	272,369
School administration	257,618	4,844	262,462
Fiscal services	7,303	-	7,303
Food services	-	110,790	110,790
Pupil transportation services	1,735	1,520	3,255
Operation of plant	240,153	9,527	249,680
Maintenance of plant	35,673	5,118	40,791
Debt service;			
Principal payment	522,308	-	522,308
Interest	9,653	-	9,653
Capital outlay:			
Furniture & equipment	671,447	60,310	731,757
Total current expenditure	3,247,588	450,657	3,698,245
Excess (deficit) of revenues over expenditures	(1,208,758)	787,416	(421,342)
Other Financing Sources (Uses)			
Transfers In	1,000,451	-	1,000,451
Total Other Financing Sources (Uses)	1,000,451	-	1,000,451
Net Changes in Fund Balances (Deficit)	(208,307)	787,416	579,109
Fund balance - July 1, 2021	63,190	175,923	239,113
Fund balance - June 30, 2022	\$ (145,117)	\$ 963,339	\$ 818,222

The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES
JUNE 30, 2022

Changes in Fund Balance - Governmental Funds	\$	(421,342)
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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	\$	731,757	
Provision for depreciation		<u>(428,960)</u>	302,797

The issuance of long-term debt provides current financial resources and the payment of the principal of long-term debt consumes the resources of the governmental funds.

Principal on leased assets			197,316
Principal on note payable			324,992

Change in Net Position - Governmental Activities	\$	<u>403,763</u>
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The accompanying notes are an integral part of these statements

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
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 eighth. 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, 2023, 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. Excelsior Academies 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 provides 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

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Charter School's are such that exclusion would cause the Charter School's financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Charter School.

Basis of Presentation:

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audit for States and Local Governments and provisions of Florida Statutes, the Charter School is presented as a governmental organization for financial statement reporting purposes.

Government-wide Financial Statement:

The government-wide financial statements (i.e., the statement of Net Position and the statement of changes in Net Position) report information on all activities of the Charter School. The effect of interfund activity, generally, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) operating grants and contributions that are used to meet the operational requirements of a particular function or program, and 2) capital grants and contributions that are restricted to meeting the capital requirements of a particular function or program.

Fund financial statements:

The Charter School accounts are organized on the basis of funds. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

General Fund – is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Grant Fund – accounts for specific revenue, such as federal grants and capital outlay grants that are legally restricted to expenditures for particular purposes.

Agency Fund – accounts for resources of the School's Internal Fund, which is used to administer monies collected at the schools in connection with school, student athletics, class, and club activities.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus, Basis of Accounting:

The financial statements of the Charter School are prepared in accordance with generally accepted accounting principles (GAAP). The Charter School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to GASB Codification Section 1600.111 and Section N50 Accounting and Financial Reporting for Non-Exchange Transactions. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have satisfied.

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenues is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Charter School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Capital assets

Capital assets, which include land, buildings, building improvements, furniture and fixtures, equipment and library books are reported in the applicable governmental activities in the government-wide financial statements. Capital assets are defined by the Charter School as assets with an initial, individual cost of more than \$500 and a life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Estimated useful lives, in years, for depreciable assets are as follows:

Building and improvements	39 years
Furniture, equipment and computers	5-7 years
Leased Assets	2-10 years (based on lease term)

Donated capital assets, if any, are recorded at estimated fair value at the date of donation. Within governmental funds, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported within the governmental fund financial statements.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Due from Other Governments or Agencies

Amounts due to the Charter School by other governments or agencies are for grants or programs under which the services have been provided by the Charter School.

Revenue Sources

Revenues for operations will be received primarily from the District pursuant to the funding provisions included in the Charter School's charter. In accordance with the funding provisions of the charter and section 1002.33, Florida Statutes, the Charter School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the Charter School during the designated full-time equivalent student survey periods.

The Charter School also receives Federal funding for the school food program. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenues are recognized to the extent that eligible expenditures have been incurred. Also, other revenues may be derived from various fundraising activities and certain other programs.

Compensated Absences

The Charter School grants a specific number of sick days. Full time instructional employees are eligible to one day per month to up to ten days of active work.

GASB Codification Section C60, Accounting for Compensated Absences, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place.

Accordingly, these financial statements do not include an accrual for sick days available to be used in future benefit years.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Deferred outflows/Inflows of Resources:

The statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Equity classifications:

Government-wide financial statement

Equity is classified as Net Position and displayed in three components:

- a. Invested in capital assets, net of related debt – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowing that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted Net Position– consists of Net Position with constraints placed on their use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation. There is no restricted Net Position.
- c. Unrestricted Net Position– all other Net Position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”

Fund financial statements

GASB Codification Section 1800.142. Fund Balance Reporting and Governmental Fund Type Definitions, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories list below:

Non-spendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). All non-spendable fund balances at year end related to not in spendable asset form. The nonspendable fund balance as of June 30, 2022 is \$79,600 relating to deposits.

Restricted –fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers. The Restricted fund balance as of June 30, 2022 is \$19,593, Relating to Capital Outlays.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- a. Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Charter School’s Board of Director. There are no committed fund balances at year end.
- b. Assigned – fund balance classification is intended to be used by the Charter School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- c. Unassigned – fund balance is the residual classification for the Charter school’s general fund and includes all spendable amounts not contained in the other classification,

Encumbrances

Encumbrances represent commitments relating to unperformed contracts for goods or services. At June 30, 2022, there were no encumbrances outstanding.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition of disclosure through September 15, 2022, which is the date the financial statements were available to be issued.

**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 3 - CASH AND CERTIFICATE OF DEPOSIT

As of June 30, 2022, the bank balance was \$234,631. The bank balance did not exceed the FDIC limit as of June 30, 2022.

The Charter School is operated under a Charter sponsored by the Miami-Dade County School District as described in Note 1. Accordingly, its bank deposits are governed by Chapter 280 of the Florida Statutes. All time and demand deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes, Chapter 280, “Florida Security for Public Deposits Act”, the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral having a market value equal to an amount from 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held.

The percentage of eligible collateral (generally, U.S. Government and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository’s financial history and its financial condition. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. Therefore, all cash deposits in an approved Florida banking institution are both collateralized and insured and not subject to a concentration of credit risk or a custodial credit risk as defined in Government Accounting Standards Board (“GASB”) Statement No. 40. The Charter School has no monetary assets other than cash in an approved depository.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable represent outstanding reimbursements from the following programs below. As of June 30, 2022, the receivable balance is \$688,846.

ESSER II	\$ 81,128
ESSER III	574,206
Title IV	8,921
Capital Outlay	19,593
NSLP	4,998
Total	<u>\$688,846</u>

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Lease Assets	\$ -	\$ 652,207	\$ -	\$ 652,207
Buildings and Improvements	29,969	-	-	29,969
Computer software	32,535	-	-	32,535
Furniture, Fixtures, and Equipment	604,389	79,550	-	683,939
Total Assets	<u>666,893</u>	<u>79,550</u>	<u>-</u>	<u>2,115,124</u>
Lease Asset	-	(326,103)	-	(326,103)
Buildings and Improvements	(26,316)	(3,380)	-	(29,696)
Computer software	(21,415)	(6,507)	-	(27,922)
Furniture, Fixtures, and Equipment	(555,315)	(92,970)	-	(648,285)
Total Accumulated Depreciation	<u>(603,046)</u>	<u>(428,960)</u>	<u>-</u>	<u>(1,032,006)</u>
Total Assets, Net	<u>\$ 63,847</u>	<u>\$ (349,410)</u>	<u>\$ -</u>	<u>\$ 1,083,118</u>

The provision for depreciation for the year ended June 30, 2022, amounted to \$428,960. The Charter School allocated depreciation to instruction services.

NOTE 6 – COMMITMENTS

Management Contract:

The Charter school has contracted with School Development Service for administrative and educational management services for the operation of the school. All staff are employees of the Charter School. The contract expires in June 2022 and provides for a fee based on a percentage of certain revenues of the School which is 10%. The fees paid to the management company for the year ended June 30, 2022, amounted to \$173,849.

Lease Agreement:

The School entered into a lease agreement with L'Hermitage for their facilities located at 369 East 10th Street, Hialeah, Florida commencing on July 1, 2021, with an option to renew for an additional five-year term. Total lease payments for the fiscal year 2022 were \$334,645. The lease liability relating to the remaining term of the lease is presented below

<u>Year Ended</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2023	\$ 327,215	\$ 4,843	\$ 332,057

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – RISK MANAGEMENT

The Charter School is exposed to various risks of loss related to torts, thefts of damage to and destruction of assets, errors and omissions and natural disasters for which the school carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past three (3) years. In addition, there were no reductions in insurance coverage from those in the prior year.

NOTE 8- RELATED PARTY

In accordance with the Charter Agreement, the School Board retains 5% as an administrative fee. This funding is received on a pro rata basis over the twelve-month period and is adjusted for changes in full-time equivalent student population. After review and verification of Full-Time Equivalent (“FTE”) reports and supporting documentation, the Florida Department of Education may adjust subsequent fiscal period allocations of FTE funding for prior year’s errors disclosed by its review as well as to prevent the statewide allocation from exceeding the amount authorized by the State Legislature.

NOTE 9 – FUNDING AND CREDIT RISK CONCENTRATION

The School receives substantially all of its support and revenue from federal, state and local funding sources, passed through the School Board District, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

NOTE 10 - NEW ACCOUNTING PRONOUNCEMENTS IMPLEMENTED

GASB has issued GASB Statement No. 87 Leases, effective this fiscal year 2022, which affects the financial position, results of operations, and financial presentation of the School now that it is implemented. GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and a right of use asset. Under the new guidance, A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

A lessee should reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 - NEW ACCOUNTING PRONOUNCEMENTS IMPLEMENTED

lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to financial statements should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made. See Note 6, for the lease implementation.

NOTE 11 - LOAN PAYABLE

On March 23, 2020, the school has entered into an agreement with a financial institution to borrow \$500,000 at an interest rate of 2.4 percentage points over the index rate. The Maturity date of the note is March 23, 2023 which is renewed annually. The balance on the line as of June 30, 2022 is \$150,928.

NOTE 12 – CHANGE IN LONG TERM LIABILITIES

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Lease Liability	-	652,207	(324,992)	327,215
Loan Payable	83,743	67,185	-	150,928
Total	83,743	719,392	(324,992)	478,143

SUPPLEMENTARY INFORMATION

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022

GENERAL FUND

	Original Budget	Final Budget	Actual Amounts	Variances Positive (Negative)
Revenues:				
State sources	\$ 2,067,616	\$ 2,067,616	\$ 1,830,397	\$ (237,219)
Capital outlay and other contributions	160,515	160,515	161,920	1,405
Other revenues	50,000	50,000	46,513	(3,487)
Total revenues	<u>2,278,131</u>	<u>2,278,131</u>	<u>2,038,830</u>	<u>(239,301)</u>
Instruction	1,471,635	1,213,087	1,192,092	20,995
Pupil Personnel Services	-	-	24,854	(24,854)
Instruction and Curriculum Development Service	41,000	41,000	12,383	28,617
School Board	11,500	11,500	-	11,500
General Administration	357,901	357,901	272,369	85,532
School Administration	320,865	316,021	257,618	58,403
Fiscal Services	12,500	12,500	7,303	5,197
Pupil Transportation Services	2,000	480	1,735	(1,255)
Operation of Plant	558,986	549,459	240,153	309,306
Maintenance of Plant	30,000	24,882	35,673	(10,791)
Debt service	-	531,961	531,961	-
Capital Outlay	-	671,447	671,447	-
Total expenditure	<u>2,806,387</u>	<u>2,526,830</u>	<u>3,247,588</u>	<u>482,650</u>
Excess (deficit) of revenues over expenditures	<u>\$ (528,256)</u>	<u>\$ (248,699)</u>	<u>\$ (1,208,758)</u>	<u>\$ 243,349</u>

GRANT FUND

	Original Budget	Final Budget	Actual Amounts	Variances Positive (Negative)
Revenues:				
Operating grants and contributions	\$ 1,099,387	\$ 1,099,387	\$ 1,238,073	\$ 138,686
Total revenues	<u>1,099,387</u>	<u>1,099,387</u>	<u>1,238,073</u>	<u>138,686</u>
Instruction	258,548	258,548	258,548	-
School administration	4,844	4,844	4,844	-
Food Services	165,715	165,715	110,790	54,925
Pupil transportation services	1,520	1,520	1,520	-
Operation of plant	9,527	9,527	9,527	-
Maintenance of plant	5,118	5,118	5,118	-
Capital outlay	60,310	60,310	60,310	-
Total expenditure	<u>165,715</u>	<u>165,715</u>	<u>110,790</u>	<u>54,925</u>
Excess (deficit) of revenues over expenditures	<u>\$ 933,672</u>	<u>\$ 933,672</u>	<u>\$ 1,127,283</u>	<u>\$ 193,611</u>

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
NOTES TO SUPPLEMENTARY INFORMATION

Budgetary Basis Accounting

An annual budget is adopted on the Budgets modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay)

NOTE A.

The Charter School formally adopted a budget for the year ended June 30, 2022. Budgeted amounts may be amended by resolution or ordinance by the Board. A comparison of the actual results of operations to the budgeted amounts for the General Fund is presented as supplementary information.

NOTE B.

The budget is adopted using the same basis of accounting on which the financial statements are prepared except for a 5% administrative charge up to 250 students that is retained by the School Board of Miami-Dade County.

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
JUNE 30, 2022

Federal Grantor Pass-through Entity Federal Program	Federal AL Number	Reimbursable/ Disbursements/ Expenses	Transfers to Subrecipients
<u>FEDERAL AWARDS</u>			
<u>US DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Florida Department of Agriculture</i>			
National School Lunch Program	10.555	\$ 189,541	\$ -
NSLP Equipment Grant	10.555	<u>3,566</u>	<u>-</u>
Total US Department of Agriculture		193,107	-
<u>US DEPARTMENT OF EDUCATION</u>			
<i>Passed through Florida Department of Education</i>			
ESSER 1	84.425D	\$ 3,322	-
ESSER II - ADVANCED	84.425D	124,097	-
ESSER 2B - LUMP SUM	84.425D	67,538	-
ESSER 2B- TECHNOLOGY	84.425D	13,590	-
ESSER 2B- ACADEMIC ACCELERATION	84.425D	33,049	-
High Quality Curriculum for Reading	84.425D	1,013	-
ESSER III- ARP -	84.425U	574,206	-
Title I	84.010	113,103	-
Title IV	84.424A	<u>8,921</u>	<u>-</u>
Total US Department of Education		938,839	-
Total Federal Awards		<u>\$ 1,131,946</u>	<u>\$ -</u>

EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
NOTES SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
JUNE 30, 2022

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of Federal award programs administered by the school, which is described in Note 1 to the School's accompanying financial statements, using the accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the School financial statements. Federal awards that are included in the Schedule may be received directly from Federal agencies, as well as Federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Summary of Certain Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as Federal expenditures were obtained from the Federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the School's financial reporting system. The Federal expenditures are recognized under the Uniform Guidance.

Scope of Audit

The school is an independent corporation. All Federal grant operations of the school are included in the scope of the single audit.

Indirect Cost Rate

The school did not elect to use the 10% de minimis cost rate. Indirect costs may be included in the reported expenditures, to the extent that they are included in the Federal financial reports used as the source for the data presented. The School's policy is not to charge Federal award programs with indirect costs.

Other Disclosures

No insurance is carried specifically to cover equipment purchased with Federal funds. Any equipment purchased with Federal funds has only a nominal value, and is covered by the School's casualty insurance policies. There were no loans or loan guarantees outstanding at year-end.

**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

SUMMARY OF AUDITORS' RESULTS

Section I-Summary of Auditors Results

Financial Statements

Type of Auditors Report Issued: Unmodified

Internal Control over Financial Reporting:

- Significant deficiency(es) identified ? ___ Yes X None
- Material weakness identified ? ___ Yes X No
- Non Compliance material to financial statement noted ? ___ Yes X No

Federal Awards

Internal Control over Major Federal Programs:

- Significant deficiency(es) identified? ___ Yes X None
- Material weakness identified? ___ Yes X No

Type of Auditors Report issued on Compliance for major Programs: Unmodified

Any audit findings disclosed that are required to be reported in Accordance with 2 CFR ? ___ Yes X No

Identification of major Programs:

<u>CFDA#</u>	<u>Name of Program or Cluster</u>
	Department of Education
84.425D	ESSER 1
84.425D	ESSER II - ADVANCED
84.425D	ESSER 2B - LUMP SUM
84.425D	ESSER 2B- TECHNOLOGY
84.425D	ESSER 2B- ACADEMIC ACCELERATION
84.425D	High Quality Curriculum for Reading
84.425U	ESSER III ARP-

**EXCELSIOR ACADEMIES, INC.
D/B/A EXCELSIOR PREP CHARTER SCHOOL OF HIALEAH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022**

SUMMARY OF AUDITORS' RESULTS (Continued.)

Dollar threshold used to distinguish
between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes X No

Section II-Financial Statement findings

The audit disclosed no matters that are reportable

Section III – Major Federal Awards Programs – Findings and questioned costs

The audit disclosed no matters that are reportable

Section IV – Major Federal Awards Programs – Summary of prior Audit Findings

No prior audit findings were reported

Section V - Management letter

Management letter issued



THOMAS & COMPANY, C.P.A., P.A.
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah's major federal programs for the year ended June 30, 2022. Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah's and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Excelsior Academies, Inc D/B/A Excelsior Prep Charter School of Hialeah' s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah' s compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah' s compliance with the requirements of each major federal program as a whole. In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Excelsior Academies, Inc D/B/A Excelsior Prep Charter School of Hialeah' s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah' s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah' s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Thomas & Company CPA PA
Cooper City, Florida
September 15, 2022



THOMAS & COMPANY, C.P.A., P.A.
Certified Public Accountants and Business Consultants

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 Directors
Excelsior Academies, Inc.
D/B/A Excelsior Prep Charter School of Hialeah
Miami, Florida

We have audited, in accordance with the 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 of the governmental activities and each major fund of Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah (the "Charter School"), a component unit of the Miami-Dade County District School Board, as of and for the Year Ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah's basic financial statements, and have issued our report thereon dated September 15, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter School's internal control over financial reporting (internal control) to determine the 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 the Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School'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 a 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, 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.

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

A handwritten signature in blue ink that reads "Thomas & Company CPA PA". The signature is written in a cursive, flowing style.

Thomas & Company CPA PA
Cooper City, Florida
September 15, 2022



THOMAS & COMPANY, C.P.A., P.A.
Certified Public Accountants and Business Consultants

**MANAGEMENT LETTER
IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF
THE STATE OF FLORIDA**

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

Report on the Financial Statements

We have audited the financial statements of the governmental activities and each major fund of Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated September 15, 2022

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Other Reports and Schedules

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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs. Disclosures in that report and schedule, which is dated September 15, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations in the preceding annual financial audit report.

Official Title and Legal Authority

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 of Excelsior Academies, Inc. D/B/A Excelsior Prep Charter School of Hialeah - 5029.

Management Letter - Continued

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 the School 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 school did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its website information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate 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 charged with governance. In connection with our audit, we did not note any such findings.

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, School Board of Directors, School's management, and the School Board of Miami-Dade County and is not intended to be and should not be used by anyone other than these specified parties.



Thomas & Company CPA PA
Cooper City, Florida
September 15, 2022