EVERGLADES
PREPARATORY ACADEMY
(A CHARTER SCHOOL UNDER
ADVANTAGE ACADEMY OF MIAMI, INC.)

A Charter School and Component Unit of the
District School Board of Miami-Dade County, Florida

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2022

King & Walker, CPAs, PL

Certified Public Accountants

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EVERGLADES PREPARATORY ACADEMY
(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF MIAMI, INC.)

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KING & WALKER
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Independent Auditor's Report

To the Board of Directors of the Everglades Preparatory Academy
(A Charter School under Advantage Academy of Miami, Inc.),
a Charter School and Component Unit of the District
School Board of Miami-Dade County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Everglades Preparatory Academy ("School"), a charter school under Advantage Academy of Miami, Inc., and a component unit of the District School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 School, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School 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 opinions.

Emphasis of Matter

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School at June 30, 2022, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of Advantage Academy of Miami, Inc. These financial statements do not purport to and do not present fairly the financial position of Advantage Academy of Miami, Inc. as of June 30, 2022, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the School implemented Government Accounting Standards Board (GASB) Statement No. 87 - Leases, which is a change in accounting principle that addresses accounting and financial reporting for leases. This affects the comparability of amounts reported for the 2021-22 fiscal year with amounts reported for the 2020-21 fiscal year. Our opinion is not modified with respect to this matter.

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 the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School'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 the School'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report September 6, 2022, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

King & Walker, CPAs

September 6, 2022
Tampa, Florida

The Management's Discussion and Analysis (MD&A) section of the annual financial report of the Everglades Preparatory Academy ("School"), a charter school under Advantage Academy of Miami, Inc. provides an overview of the School's activities for the fiscal year ended June 30, 2022.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School's financial statements and notes to financial statements, as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2022, the School's revenues exceeded expenses as shown on the School's statement of activities by $132,339.
- As shown on the statement of net position, the School reported an unrestricted net position balance of $584,612.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School's net position and the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the School's financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

Fund Financial Statements

Fund financial statements are one of the components of the basic 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. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates the following funds; a General Fund to account for its general operations, a Special Revenue Fund to account for Federal grant programs and internal account activities, and a Capital Projects Fund to account for capital outlay funds. The School has elected to show all funds as major funds.

The School adopts annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Major Special Revenue Fund to demonstrate compliance with the budgets.

Notes to Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the School's current year and prior year net position:

Net Position, End of Year

	Governmental Activities		
	6-30-21	6-30-22	Increase (Decrease)
ASSETS			
Current and Other Assets	$ 852,113	$ 1,021,700	$ 169,587
Capital Assets, Net	146,074	10,462,216	10,316,142
Total Assets	998,187	11,483,916	10,485,729
LIABILITIES			
Current Liabilities	229,609	385,846	156,237
Noncurrent Liabilities	-	10,211,098	10,211,098
Total Liabilities	229,609	10,596,944	10,367,335
NET POSITION			
Net Investment in Capital Assets	146,074	251,118	105,044
Restricted	53,462	65,187	11,725
Unrestricted	569,042	570,667	1,625
Total Net Position	$ 768,578	$ 886,972	$ 118,394

The assets of the School primarily consist of cash and cash equivalents, due from other agencies, and the School's investment in capital assets, consisting of leasehold improvements, furniture, fixtures, and equipment, and leased asset - building, net of accumulated depreciation/amortization. Current liabilities primarily consist of vendor accounts payable and salaries and benefits payable. Noncurrent liabilities consist of a long-term lease payable. Total net position amounted to $900,917, which included an unrestricted net position balance of $584,612.

The following is a summary of the School's change in net position for the current year and prior year:

Operating Results for the Year

	Governmental Activities		
	6-30-21	6-30-22	Increase (Decrease)
Revenues:			
Federal Through State and Local	$ 383,323	$ 716,963	$ 333,640
State	3,564,243	3,620,291	56,048
Local and Other	160,294	203,817	43,523
Extraordinary and Special Items	35,841	366,680	330,839
Total Revenues	4,143,701	4,907,751	764,050
Expenses:			
Instruction	1,710,179	2,064,912	354,733
Student Support Services	81,235	77,209	(4,026)
Instruction & Curriculum Development	91,893	79,722	(12,171)
Instructional Staff Training	1,619	10,446	8,827
Instructional Related Technology	45,012	57,147	12,135
Board	55,267	58,359	3,092
General Administration	266,993	278,673	11,680
School Administration	282,605	333,756	51,151
Facilities Acquisition & Construction	707,144	131,917	(575,227)
Fiscal Services	188,182	177,976	(10,206)
Central Services	3,478	4,850	1,372
Student Transportation	124,226	134,777	10,551
Operation of Plant	280,288	171,782	(108,506)
Maintenance of Plant	61,587	83,772	22,185
Administrative Technology Services	1,976	5,432	3,456
Community Service	62,672	161,925	99,253
Debt Service - Interest	-	823,261	823,261
Unallocated Depreciation/Amoritization	126,596	133,441	6,845
Total Expenses	4,090,952	4,789,357	698,405
Increase in Net Position	$ 52,749	$ 118,394	$ 65,645

The largest revenue source for the School is the State of Florida (80%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the School. The School also received funding under Federal grants amounting to 16% of total revenue. The largest concentration of expenses was for Instruction related functions (48%), facility costs (8%), and debt service interest (17%).

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a combined fund balance of $649,799.

BUDGETARY HIGHLIGHTS

The general fund and special revenue fund budgets for the fiscal year ended June 30, 2022, were developed based on the School's anticipated revenues, and expenditures, the expected student population, and Federal grant programs for the school year. Actual expenditures were equal to the final budgets. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2022, amounts to $10,462,216 (net of accumulated depreciation/amortization). This investment in capital assets includes furniture, fixtures, and equipment, leasehold improvements, and a leased asset - building. Additional information regarding the School's capital assets can be found in a subsequent note to the financial statements.

DEBT

The School entered into a long-term lease for its School educational facility through June 30, 2041. This lease has been reported as long-term debt under guidance from GASB 87 in the original amount of $10,322,169. The long-term lease payable ends June 30, 2041. Additional information regarding the long-term lease liability can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the School in fiscal year 2022-23 include:

- Continued funding from FEFP.
- Expected increase in enrollment.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Everglades Preparatory Academy's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Charter School Associates, Inc., 5471 N. University Drive Coral Springs, FL 33067.

EVERGLADES PREPARATORY ACADEMY
(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF MIAMI, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

STATEMENT OF NET POSITION

June 30, 2022

	Government Activities
ASSETS	
Cash & Cash Equivalents	$ 364,992
Due From Other Agencies	531,447
Accounts Receivable	94,182
Prepaid Items & Deposits	31,079
Capital Assets:	
Leasehold Improvements, Net	194,139
Furniture, Fixtures, and Equipment, Net	56,979
Leased Asset - Building, Net	10,211,098
Total Capital Assets	10,462,216
TOTAL ASSETS	11,483,916
LIABILITIES	
Salaries and Benefits Payable	158,245
Accounts Payable	217,333
Due to Other Agencies	10,268
Noncurrent Liabilities:	
Due Within One Year:	
Long-term Lease Payable	135,849
Due After One Year:	
Long-term Lease Payable	10,075,249
TOTAL LIABILITIES	10,596,944
NET POSITION	
Net Investment in Capital Assets	251,118
Restricted	65,187
Unrestricted	570,667
TOTAL NET POSITION	$ 886,972

The accompanying notes to the financial statements are an integral part of this statement.

EVERGLADES PREPARATORY ACADEMY
(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF MIAMI, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

		Program Revenues			Net (Expenses) Revenue and Changes Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	$ 2,064,912	$ -	$ 608,826	$ -	$ (1,456,086)
Student Support Services	77,209	-	8,561	-	(68,648)
Instruction & Curriculum Development	79,722	-	63,929	-	(15,793)
Instructional Staff Training	10,446	-	6,967	-	(3,479)
Instructional Related Technology	57,147	-	2,562	-	(54,585)
Board	58,359	-	-	-	(58,359)
General Administration	278,673	-	-	-	(278,673)
School Administration	333,756	-	9,823	-	(323,933)
Facilities Acquisition & Construction	131,917	-	-	305,647	173,730
Fiscal Services	177,976	-	-	-	(177,976)
Central Services	4,850	-	-	-	(4,850)
Student Transportation	134,777	-	-	-	(134,777)
Operation of Plant	171,782	-	16,215	-	(155,567)
Maintenance of Plant	83,772	-	80	-	(83,692)
Administrative Technology Services	5,432	-	-	-	(5,432)
Community Service	161,925	130,969	-	-	(30,956)
Debt Service - Interest	823,261	-	-	-	(823,261)
Unallocated Depreciation/Amortization	133,441	-	-	-	(133,441)
Total Governmental Activities	$ 4,789,357	$ 130,969	$ 716,963	$ 305,647	(3,635,778)
	General Revenue				
	State Sources				3,314,644
	Local and Other				28,863
	Contributions				43,985
	Extraoridnary Item - Insurance Loss Recovery				16,680
	Special Item - Intercompany Transfer In				350,000
	Total General Revenues				3,754,172
	Change in Net Position				118,394
	Net Position - July 1, 2021				768,578
	Net Position - June 30, 2022				$ 886,972

The accompanying notes to the financial statements are an integral part of this statement.

EVERGLADES PREPARATORY ACADEMY
(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF MIAMI, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash & Cash Equivalents	$ 301,632	$ 63,360	$ -	$ 364,992
Due From Other Agencies	-	503,857	27,590	531,447
Accounts Receivable	94,182	-	-	94,182
Prepaid Items & Deposits	31,079	-	-	31,079
Due from Other Funds	478,619	1,826	-	480,445
Total Assets	$ 905,512	$ 569,043	$ 27,590	$ 1,502,145
LIABILITIES				
Salaries and Benefits Payable	$ 158,245	$ -	$ -	$ 158,245
Accounts Payable	167,434	49,899	-	217,333
Due to Other Agencies	7,340	2,928	-	10,268
Due to Other Funds	1,826	451,029	27,590	480,445
Total Liabilities	334,845	503,856	27,590	866,291
FUND BALANCES				
Nonspendable	31,079	-	-	31,079
Restricted for Internal Accounts	-	65,187	-	65,187
Unassigned	539,588	-	-	539,588
Total Fund Balances	570,667	65,187	-	635,854
Total Liabilities and Fund Balances	$ 905,512	$ 569,043	$ 27,590	$ 1,502,145

The accompanying notes to the financial statements are an integral part of this statement.

EVERGLADES PREPARATORY ACADEMY
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RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2022

Total Fund Balances - Governmental Funds		$	635,854
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.			10,462,216
Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.			
Long-term Lease Payable	(10,211,098)		(10,211,098)
Total Net Position - Governmental Activities		$	886,972

The accompanying notes to financial statements are an integral part of this statement.

EVERGLADES PREPARATORY ACADEMY
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STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Intergovernmental:				
Federal Through State and Local	$ -	$ 716,963	$ -	$ 716,963
State	3,314,644	-	305,647	3,620,291
Local and Other	14,957	130,225	14,650	159,832
Contributions	560	43,425	-	43,985
Total Revenues	3,330,161	890,613	320,297	4,541,071
Expenditures				
Current - Education:				
Instruction	1,492,137	572,775	-	2,064,912
Student Support Services	68,648	8,561	-	77,209
Instruction & Curriculum Development	15,793	63,929	-	79,722
Instructional Staff Training	3,479	6,967	-	10,446
Instructional Related Technology	54,585	2,562	-	57,147
Board	58,359	-	-	58,359
General Administration	278,673	-	-	278,673
School Administration	323,933	9,823	-	333,756
Facilities Acquisition & Construction	117,267	-	14,650	131,917
Fiscal Services	177,976	-	-	177,976
Central Services	4,850	-	-	4,850
Student Transportation	134,777	-	-	134,777
Operation of Plant	155,567	16,215	-	171,782
Maintenance of Plant	83,692	80	-	83,772
Administrative Technology Services	5,432	-	-	5,432
Community Service	-	161,925	-	161,925
Fixed Capital Outlay:				
Facilities Acquisition & Construction	10,143,936	-	305,647	10,449,583
Debt Service:				
Principal	111,071	-	-	111,071
Interest	823,261	-	-	823,261
Total Expenditures	14,053,436	842,837	320,297	15,216,570
Excess/(Deficiency) of Revenues Over Expenditures	(10,723,275)	47,776	-	(10,675,499)
Other Financing Sources (Uses):				
Inception of Long-term Lease	10,322,169	-	-	10,322,169
Extraordinary Item - Insurance Loss Recovery	16,680	-	-	16,680
Special Item - Intercompany Transfer In	350,000	-	-	350,000
Transfers In/(Out)	36,051	(36,051)	-	-
Total Other Financing Sources (Uses)	10,724,900	(36,051)	-	10,688,849
Net Change in Fund Balances	1,625	11,725	-	13,350
Fund Balances, July 1, 2021	569,042	53,462	-	622,504
Fund Balances, June 30, 2022	$ 570,667	$ 65,187	$ -	$ 635,854

The accompanying notes to financial statements are an integral part of this statement.

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RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Net Change in Fund Balances - Governmental Funds		$	13,350
Amounts reported for governmental activities in the statement of activities 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.			
Capital Outlays	10,449,583		
Depreciation Expense	(133,441)		10,316,142
The repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.			111,071
Long-term debt proceeds are reported as other financing sources in the Governmental Funds and as long-term liabilities in the Statement of Net Position.			(10,322,169)
Change in Net Position - Governmental Activities		$	118,394

The accompanying notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- **Reporting Entity**

The Everglades Preparatory Academy ("School"), a charter school under Advantage Academy of Miami, Inc. is a component unit of the School Board of Miami-Dade County, Florida. The School's charter is held by Advantage Academy of Miami, Inc. a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the Board of Directors, which is comprised of not less than three members.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of Advantage Academy of Miami, Inc. as of June 30, 2022, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Miami-Dade County, Florida, ("District"). The charter was granted starting for the 2012-13 school year and was effective until June 30, 2022. On May 18, 2022, the District renewed the charter contract for an additional 5 years, expiring on June 30, 2027. The charter is effective subject to annual review and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the 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. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (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 School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

➢ **Allocation of Common Expenses**

The School shares the same physical location with Everglades Preparatory High School, a related party through common control, and common expenditures. These common expenditures have been allocated between the Schools based on student enrollment.

Expenditures that are subject to allocation include, but are not limited to the following functional categories:

- Instruction
- Instructional Media
- Administration
- Operation of Plant

The process of the allocation of common expenses takes place when the expenses are recorded based on a methodical and non-discriminatory basis.

➢ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund Financial Statements - Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for Federal grant programs and internal account operations.
- Capital Projects Fund – to account for all resources for the acquisition of capital assets and related items purchased by the School with capital outlay funds.

➢ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➢ **Cash and Cash Equivalents**

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of eight months or less from date of acquisition. The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

The School's deposits are placed with banks and savings and loans qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

- **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Leasehold Improvements	5-15 years
Furniture, Fixtures and Equipment	5-10 years
Leased Asset - Building	20 years

- **Long-term Debt**

Long-term obligations that will be financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund. Current-year information relative to changes in long-term debt is described in subsequent notes.

- **Deferred Outflows/Inflows of Resources**

In addition to assets, 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. The School does not have any items that qualify for reporting in this category.

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 then. The School does not have any items that qualify for reporting in this category.

➢ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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 reported within one of the following fund balance categories:

- Nonspendable – 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 nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School's Board of Governance.
- Assigned – fund balance that is intended to be used by the School's management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School's general fund and includes all spendable amounts not contained in the other classifications.

- **<u>Order of Fund Balance Spending Policy</u>**

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

- **<u>Revenue Sources</u>**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (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 (FTE) reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2022, the School reported 462 unweighted FTE and 465.06 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).

- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives Federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

- **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

- **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States (GAAP) management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of net position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

- **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

2. ACCOUNTING CHANGE

The School implemented GASB Statement No. 87 - Leases, which establishes a single model for lease accounting based on the principle that leases are financing of the right to use an asset. This statement increases the usefulness of the Schools' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating. In the current fiscal year, the School recognized a lease liability and an intangible right-to-use asset (Leased Asset - Building) of $10,322,169, which applies to their educational facility lease.

3. CASH DEPOSITS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

4. ACCOUNTS RECEIVABLE – RELATED PARTY

Included in the accounts receivable balance reported in the statement of net position and the balance sheet – governmental funds, the School reported a receivable amounting to $94,147 as a result of money advanced for shared expenses awaiting reimbursement from Advantage Academy of Miami, Inc. ($88,596), the School's charter-holder, Doral International Academy ($943), Palm Glades Preparatory Academy ($542), Palm Glades Preparatory High ($2,103), Summerville Advantage Academy ($1,184), charter schools under the same charter-holder, and Advantage Academy of West Broward ($779), a charter school under the same management company. The School expects to receive full payment within one year from the financial statement date and no allowance for uncollectible accounts has been established.

5. DUE FROM OTHER AGENCIES

Amounts in the Due from Other Agencies included in the accompanying statement of net position and balance sheet – governmental funds consist of an amount due from the Miami-Dade District School Board for grant reimbursements recorded in the Special Revenue Fund, as well as an amount due from the Florida Department of Education under the Charter School Capital Outlay Program recorded in the Capital Projects Fund. These receivables are considered to be fully collectible and as such, no allowance for uncollectible accounts has been established.

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2022, the School's General Fund owed $1,826 to the Special Revenue Fund related to internal account activities, and the Capital Project Fund and Special Revenue Fund owed the General Fund $27,590 and $451,029, respectively, for expenditures awaiting reimbursement. The School's Special Revenue fund transferred $36,051 to the General Fund for grant operations. The amounts of interfund receivables, payables, and transfers are netted together and not reported in the statement of net position and the statement of activities.

7. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Leasehold Improvements	$ 110,818	$ 127,414	$ -	$ 238,232
Furniture, Fixtures and Equipment	365,159	-	-	365,159
Leased Asset - Building	-	10,322,169	-	10,322,169
Total Capital Assets	475,977	10,449,583	-	10,925,560
Less Accumulated Depreciation/Amortization for:				
Leasehold Improvements	(24,741)	(19,352)	-	(44,093)
Furniture, Fixtures and Equipment	(305,162)	(3,018)	-	(308,180)
Leased Asset - Building	-	(111,071)	-	(111,071)
Total Accumulated Depreciation	(329,903)	(133,441)	-	(463,344)
Governmental Activities Capital Assets, net	$ 146,074	$ 10,316,142	$ -	$ 10,462,216

All depreciation/amortization expense was shown as unallocated on the Statement of Activities.

8. ACCOUNTS PAYABLE – RELATED PARTY

Included in the accounts payable balance reported in the statement of net position and the balance sheet – governmental funds, the School reported a payable of $34,597 as a result of shared expenditures paid by The Charter School at Waterstone ($10,167), Everglades Preparatory Academy High School ($20,158), charter schools under the same charter-holder, and Valrico Lake Academy ($4,272), a charter school under the same management company. Amounts are expected to be paid within one year.

9. LONG-TERM LEASE PAYABLE

The School leases its educational facility under a noncancellable lease through June 2041. The lease requires monthly payments and includes annual increases in accordance with the agreement. In accordance with the agreement, the School is responsible for all operating charges and insurance and is to maintain the premises at its own expense. This lease is split with the School's affiliated charter school Everglades Preparatory Academy High School. The School's portion of the lease is 46% of the total. The fair value of the leased asset is $10,322,169. Amortization of the leased asset recorded under this lease is included with depreciation/amortization expense in the accompanying financial statements.

The School's portion of the future minimum lease payments and the present value of the minimum lease payments as of June 30 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2023	$ 751,431	$ 135,849	$ 615,582
2024	772,338	163,367	608,971
2025	793,136	193,065	600,071
2026	818,567	229,106	589,461
2027	840,845	263,948	576,897
2028-32	4,451,090	1,942,207	2,508,883
2033-37	5,036,006	3,297,901	1,738,105
2038-41	4,501,258	3,985,655	515,603
Total	$ 17,964,671	$ 10,211,098	$ 7,753,573

The imputed interest rate is 6 percent.

10. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Long-term Lease Payable	$ -	$ 10,322,169	$ (111,071)	$ 10,211,098	$ 135,849
Total Governmental Activities	$ -	$ 10,322,169	$ (111,071)	$ 10,211,098	$ 135,849

11. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue:

Source	Amount
Florida Education Finance Program	$ 2,870,492
Categorical Programs:	
Class Size Reduction	435,652
Charter School Capital Outlay	305,647
Miscellaneous	8,500
Total State Revenue	$ 3,620,291

As provided in the charter school contract, the District has charged the School an administrative fee totaling $89,452.

12. SPECIAL ITEM – INTERCOMPANY TRANSFERS IN - RELATED PARTY

The School reported $350,000 of transfers in from Advantage Academy of Miami, Inc., the School's charter-holder, to assist with the School's operating expenditures during the year. Policies have been designed to ensure the prudent management of School funds, the availability of operating and capital funds as needed, and creating a fiscal benefit for the Governing board to further its mission and the mission of its Schools. These transactions are shown as Special Item – Intercompany Transfer In on the statement of activities and the statement of revenues, expenditures, and changes in fund balances - governmental funds.

13. SCHOOL FOOD SERVICE AGREEMENT

In July 2017, the School entered into an agreement with Advantage Academy of Miami, Inc., the School's charter-holder, to operate the School's food service operations. The School incurs no cost and no revenue is received for food service operations. No revenues or expenditures are reflected in these financial statements for transactions related to the provision of meals.

14. RETIREMENT PLAN

The School participates in a defined contribution tax sheltered annuity 401(k) plan for employees with more than three months of service with the School. Contributions made by the School totaled $8,346 for the year ended June 30, 2022, which was computed at 1.5% of employee's deferral of wages for each participating employee. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The rate of contribution is set annually by the School's Board of Directors.

15. OPERATING AGREEMENT

The School entered into an amended agreement March 4, 2021, for a term of five years. The term of the agreement may be extended for a period up to five years, or a term equal to the School's charter renewal, should the parties decide that it is in the best interest of the School to continue the agreement. The management contract calls for Charter School Associates, Inc. (CSA) to provide the School with marketing, curriculum design and implementation; student and staff recruiting; principal selection; and general management of the School's operations. An annual management fee is to be 10% of the School's gross operating revenue less the School's administrative fee, plus 3% of grants obtained by CSA on behalf of the School, if allowed under the grant conditions. The Management Fee is paid in monthly installments and total fees paid to CSA during the fiscal year amounted to $365,763.

16. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

17. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2022, may be impaired.

In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

18. FUNDING AND CREDIT RISK CONCENTRATIONS

The School receives substantially all of its support and revenue from federal, state and local funding sources, passed through the 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.

19. LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

EVERGLADES PREPARATORY ACADEMY
(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF MIAMI, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND MAJOR SPECIAL REVENUE FUND (UNAUDITED)
For the Fiscal Year Ended June 30, 2022

	General Fund				Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:								
Intergovernmental:								
Federal Through State and Local	$	$ -	$ -	$ -	$ 331,382	$ 716,963	$ 716,963	$ -
State	3,566,862	3,314,644	3,314,644	-	-	-	-	-
Local and Other	116,723	14,957	14,957	-	161,300	130,225	130,225	-
Contributions	-	560	560	-	-	43,425	43,425	-
Total Revenues	3,683,585	3,330,161	3,330,161	-	492,682	890,613	890,613	-
Expenditures:								
Current - Education:								
Instruction	1,358,484	1,492,137	1,492,137	-	229,820	572,775	572,775	-
Student Support Services	119,313	68,648	68,648	-	7,610	8,561	8,561	-
Instruction & Curriculum Development	13,838	15,793	15,793	-	86,591	63,929	63,929	-
Instructional Staff Training	1,651	3,479	3,479	-	-	6,967	6,967	-
Instructional Related Technology	66,030	54,585	54,585	-	-	2,562	2,562	-
Board	56,372	58,359	58,359	-	-	-	-	-
General Administration	262,217	278,673	278,673	-	-	-	-	-
School Administration	279,103	323,933	323,933	-	5,934	9,823	9,823	-
Facilities Acquisition & Construction	407,414	117,267	117,267	-	-	-	-	-
Fiscal Services	174,362	177,976	177,976	-	-	-	-	-
Central Services	3,548	4,850	4,850	-	-	-	-	-
Student Transportation	126,711	134,777	134,777	-	-	-	-	-
Operation of Plant	303,313	155,567	155,567	-	1,427	16,215	16,215	-
Maintenance of Plant	56,245	83,692	83,692	-	-	80	80	-
Administrative Technology Services	2,015	5,432	5,432	-	-	-	-	-
Community Service	-	-	-	-	107,700	161,925	161,925	-
Fixed Capital Outlay:								
Facilities Acquisition & Construction	-	10,143,936	10,143,936	-	-	-	-	-
Debt Service:								
Principal	-	111,071	111,071	-	-	-	-	-
Interest	-	823,261	823,261	-	-	-	-	-
Total Expenditures	3,230,616	14,053,436	14,053,436	-	439,082	842,837	842,837	-
Excess (Deficiency) of Revenues Over Expenditures	452,969	(10,723,275)	(10,723,275)	-	53,600	47,776	47,776	-
Other Financing Sources (Uses):								
Inception of Long-term Lease	-	10,322,169	10,322,169	-		-	-	-
Extraordinary Item - Insurance Loss Recovery	-	16,680	16,680	-		-	-	-
Special Item - Intercompany Transfer In	-	350,000	350,000	-				
Transfers In/(Out)	-	36,051	36,051	-		(36,051)	(36,051)	-
Total Other Financing Sources (Uses)	-	10,724,900	10,724,900	-	-	(36,051)	(36,051)	-
Net Change in Fund Balances	452,969	1,625	1,625	-	53,600	11,725	11,725	-
Fund Balances, July 1, 2021	569,042	569,042	569,042	-	53,462	53,462	53,462	-
Fund Balances, June 30, 2022	$ 1,022,011	$ 570,667	$ 570,667	$ -	$ 107,062	$ 65,187	$ 65,187	$ -

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

Members:
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Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Board of Directors of the Everglades Preparatory Academy
(A Charter School under Advantage Academy of Miami, Inc.),
a Charter School and Component Unit of the District
School Board of Miami-Dade County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund information of Everglades Preparatory Academy ("School"), a charter school under Advantage Academy of Miami, Inc., and a component unit of the District School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 6, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

King & Walker, CPAs

September 6, 2022
Tampa, Florida

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Management Letter as Required by Rules of the Florida Auditor General, Chapter 10.850, Florida Statutes, *Charter School Audits*

To the Board of Directors Everglades Preparatory Academy
(A Charter School under Advantage Academy of Miami, Inc.),
a Charter School and Component Unit of the
District School Board of Miami-Dade County, Florida

Report on the Financial Statements

We have audited the financial statements of the Everglades Preparatory Academy ("School"), a charter school under Advantage Academy of Miami, Inc., and a component unit of the District School Board of Miami-Dade County Florida, as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated September 6, 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 and Chapter 10.850, Rules of the Auditor General.

Other Reporting Required by *Government Auditing Standards*

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 6, 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. The School did not have findings and recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title and the school code assigned by the Florida Department of Education of the entity are Everglades Preparatory Academy, 135006.

Financial Condition

Section 10.854(1)(e)2., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of 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 Sections 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 that we report the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Other Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have 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, the Board of Directors, applicable management, and the District School Board of Miami-Dade County and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

King & Walker, CPAs

September 6, 2022
Tampa, Florida