

**Emma Jewel Charter Academy,
Inc.**

**A Charter School and Component
Unit of the District School Board
of Brevard County, Florida**

**Financial Statements with
Independent Auditor's Reports
Thereon**

June 30, 2023

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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of Emma Jewel Charter Academy, Inc.
A Charter School and Component Unit of the District
School Board of Brevard County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Emma Jewel Charter Academy, Inc. (the “School”), a Charter School and Component Unit of the District School Board of Brevard County, Florida, as of and for the year ended June 30, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2023, 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 and the standards applicable to financial audits contained in *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.

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 generally accepted auditing standards 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 the management's discussion and analysis and budgetary comparison information on pages 4-9 and 31-32 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. 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 basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic 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 25, 2023, on our consideration of the Emma Jewel Charter Academy, Inc.'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 Emma Jewel Charter Academy, Inc.'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 Emma Jewel Charter Academy, Inc.'s internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 25, 2023

Management's Discussion and Analysis

Management of Emma Jewel Charter Academy, Inc. (the "School"), offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2023.

Readers are encouraged to use this information in conjunction with information furnished in the School's financial statements. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and other supplemental information.

Financial Highlights

- Fiscal year 2023 is the School's tenth year of operations.
- The School was awarded a five year charter renewal contract which expires June 30, 2027.
- For the fiscal year ended June 30, 2023, the School's revenues exceeded expenses by \$168,928.

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. The basic financial statements present two different views of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information to enhance the reader's understanding of the financial condition of the School. This document also includes the Independent Auditor's 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*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, Audits of Charter Schools and Similar Entities.

Government-wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the School's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long term information about the School's financial status as a whole.

The two government-wide financial statements report the School's net position and the current year changes. The net position is the difference between the School's total assets and total liabilities. Measuring the net position is one way to evaluate the School's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities and 3) component units. The governmental activities include the School's basic services. For the year ended June 30, 2023, the School had no business-type activities or component units.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a group of related accounts used to maintain control over resources segregated for specific activities or objectives. All of the operations of the School are presented in governmental fund only.

Governmental Funds

Governmental funds are used to account for those functions reported as governmental activities. The School's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what money is left at year-end is available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting. This method also has a current financial resources focus. As a result, the governmental fund financial statements provide a detailed short-term view of the financial resources available to finance the School's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The School adopts annual budgets for its general and special revenue funds, as required by the Florida Statutes. The budgets are legally adopted by management of the School and its Board. The budgetary comparison schedule shows four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges and ending balances in the general and special revenue funds, and 4) the variance between the final budget and the actual resources and charges.

Notes to Financial Statements

The notes to financial statements provide additional information essential to the full understanding of the information reported in the government-wide and fund financial statements. The notes to the financial statements start on page 16 of this report.

GOVERNMENT-WIDE ANALYSIS OF THE SCHOOL

Net Position

The School's combined net position as of June 30, 2023 is summarized as follows:

	Governmental Activities		
	June 30, 2023	June 30, 2022	Variance
Assets:			
Current assets	\$ 285,586	\$ 400,018	\$ (114,432)
Capital assets, net	2,136,653	1,971,547	165,106
Total assets	<u>2,422,239</u>	<u>2,371,565</u>	<u>50,674</u>
Liabilities:			
Current liabilities	181,805	176,403	5,402
Long-term liabilities	203,032	326,688	(123,656)
Total liabilities	<u>384,837</u>	<u>503,091</u>	<u>(118,254)</u>
Net position:			
Investment in capital assets, net of related debt	1,933,621	1,644,859	288,762
Unrestricted	103,781	223,615	(119,834)
Total net position	<u>\$ 2,037,402</u>	<u>\$ 1,868,474</u>	<u>\$ 168,928</u>

The change in current assets is primarily due to decreased cash in 2023. The change in capital assets is due to the current year additions exceeding the current year depreciation. Long-term liabilities decreased due to principal payments on the School's outstanding notes payable. The change in total net position is due to the current year operating surplus.

Change in Net Position

The School's total revenues exceeded expenses by \$168,928 in fiscal 2023 - see table below.

	Governmental Activities		
	2023	2022	Variance
Revenues:			
Federal sources	\$ 1,322,357	\$ 1,027,084	\$ 295,273
State and local sources	2,861,471	2,845,902	15,569
Contributions and other revenues	629,172	498,915	130,257
Total revenues	<u>4,813,000</u>	<u>4,371,901</u>	<u>441,099</u>
Expenses:			
Instruction	2,233,879	1,995,024	238,855
Instructional staff training	80,556	103,796	(23,240)
Board	13,141	13,000	141
General administration	94,531	93,000	1,531
School administration	871,958	807,893	64,065
Fiscal services	27,432	68,883	(41,451)
Food services	419,296	330,408	88,888
Transportation	104,158	78,376	25,782
Operation of plant	470,095	365,953	104,142
Maintenance	208,418	111,054	97,364
Administrative technology services	96,495	123,442	(26,947)
Interest	23,363	21,168	2,195
Community service	750	-	750
Total expenses	<u>4,644,072</u>	<u>4,111,997</u>	<u>532,075</u>
Change in net position	<u>\$ 168,928</u>	<u>\$ 259,904</u>	<u>\$ (90,976)</u>

Although the student enrollment was consistent at 341 FTE for fiscal 2023 and fiscal 2022, the Federal sources increased to match the demand increase for capital outlay related expenditures. Contributions and other revenues increased primarily from local contributions. Overall, the School experienced an increase in instruction expenditures due to a increase in the demand for instructors, materials, and administration services.

Financial Analysis of the School's Funds

Governmental Funds

The focus of the School's governmental funds is to provide information on near term inflows, outflows, and balances usable resources. Such information is useful in assessing the School's financing requirements. Specifically, unassigned fund balance is a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the School completed the year, its governmental funds reported a combined fund balance of \$103,781.

General and Special Revenue Funds Budgetary Highlights

During the fiscal year, the School maintained an operating budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize changes in funding amounts; and 3) changes in appropriations that become necessary to maintain services.

In the general fund, actual revenues exceeded original budgeted amounts by approximately \$28,000, primarily due to increased contributions and other revenue. Actual expenditure amounts were less than original budgeted amounts by approximately \$348,000 primarily due to actual instruction of approximately \$401,000. In the special revenue fund, actual revenues and expenses exceeded budgeted amounts by approximately \$719,000 and \$732,000, respectfully. A budget amendment was made to agree final budgeted amounts to actual amounts.

Capital Assets and Debt Administration

At the end of fiscal year 2023, the School had invested approximately \$2,137,000 in capital assets, net of accumulated depreciation of approximately \$900,000.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Variance</u>
Capital assets			
Buildings and improvements	\$ 2,213,008	\$ 2,047,669	\$ 165,339
Furniture, fixtures and equipment	480,423	388,583	91,840
Vehicles	343,261	215,345	127,916
Total	<u>3,036,692</u>	<u>2,651,597</u>	<u>385,095</u>
Less - accumulated depreciation	<u>(900,039)</u>	<u>(680,050)</u>	<u>(219,989)</u>
Total capital assets	<u>\$ 2,136,653</u>	<u>\$ 1,971,547</u>	<u>\$ 165,106</u>

This year's major capital asset additions included the following:

- Building and improvements - \$165,339
- Furniture, fixtures and equipment - \$91,840
- Vehicles - \$127,916

More detailed information about the School's capital assets is presented in Note 4 to the financial statements.

Long-Term Liabilities

The School paid interest of approximately \$23,000 during the fiscal year June 30, 2023. More detailed information about the School's long-term liabilities is presented in Note 5 to the financial statements

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Budget Highlights for the Fiscal Year Ended June 30, 2024

Amounts available for appropriation in the general fund are approximately \$3.6 million, an increase of approximately \$110,000 over the actual 2023 amount. The change is due to an increase in general operating and internal revenue.

Budgeted expenditures in the general fund are approximately \$3.5 million, an increase of \$40,000 over the 2023 original budget amount.

If these estimates are realized, the School's general fund balance is expected to increase for the fiscal year ending June 30, 2024.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required contact the School's administrative offices at 705 Blake Avenue Cocoa, FL 32922.

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Brevard County, Florida**

STATEMENT OF NET POSITION

June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalent	\$ 50,524
Due from other agencies	174,334
Deposits	15,511
Prepaid items	45,217
Capital assets:	
Buildings and improvements	2,213,008
Furniture, fixtures and equipment	480,423
Vehicles	343,261
Less accumulated depreciation	<u>(900,039)</u>
 Total capital assets, net	 <u>2,136,653</u>
 Total assets	 <u><u>\$ 2,422,239</u></u>
 LIABILITIES	
Accounts payable and accrued expenses	\$ 181,805
Long-term liabilities:	
Portion due or payable within one year:	
Notes payable	63,413
Portion due or payable after one year:	
Notes payable	<u>139,619</u>
 Total liabilities	 <u>384,837</u>
 NET POSITION	
Invested in capital assets, net of related debt	1,933,621
Unrestricted	<u>103,781</u>
 Total net position	 <u>2,037,402</u>
 Total liabilities and net position	 <u><u>\$ 2,422,239</u></u>

The accompanying notes are an integral part of these financial statements.

EMMA JEWEL CHARTER ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Brevard County, Florida

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

Functions/ Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 2,233,879	\$ -	\$ 998,885	\$ -	\$ (1,234,994)
Instructional staff training	80,556	-	-	-	(80,556)
Board	13,141	-	-	-	(13,141)
General administration	94,531	-	-	-	(94,531)
School administration	871,958	-	-	-	(871,958)
Fiscal services	27,432	-	-	-	(27,432)
Food services	419,296	-	300,957	-	(118,339)
Transportation	104,158	-	24,220	-	(79,938)
Operation of plant	470,095	-	-	227,131	(242,964)
Maintenance of plant	208,418	-	-	-	(208,418)
Administrative technology services	96,495	-	-	-	(96,495)
Debt service	23,363	-	-	-	(23,363)
Community services	750	-	-	-	(750)
Total governmental activities	<u>\$ 4,644,072</u>	<u>\$ -</u>	<u>\$ 1,324,062</u>	<u>\$ 227,131</u>	<u>(3,092,879)</u>
General revenues:					
State and local sources					2,632,635
Contributions and other revenues					629,172
Total general revenues					<u>3,261,807</u>
Change in net position					168,928
Net position at beginning of year					1,868,474
Net position at end of year					<u>\$ 2,037,402</u>

The accompanying notes are an integral part of these financial statements.

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Brevard County, Florida**

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 50,524	\$ -	\$ -	\$ 50,524
Accounts receivable	32,279	125,097	16,958	174,334
Deposits	15,511	-	-	15,511
Prepaid items	45,217	-	-	45,217
Due from other funds	142,055	-	-	142,055
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 285,586</u>	<u>\$ 125,097</u>	<u>\$ 16,958</u>	<u>\$ 427,641</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 181,805	\$ -	\$ -	\$ 181,805
Due to general fund	-	125,097	16,958	142,055
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>181,805</u>	<u>125,097</u>	<u>16,958</u>	<u>323,860</u>
 FUND BALANCES				
Nonspendable				
Prepaid expenditures	45,217	-	-	45,217
Deposits	15,511	-	-	15,511
Unassigned	43,053	-	-	43,053
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>103,781</u>	<u>-</u>	<u>-</u>	<u>103,781</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 285,586</u>	<u>\$ 125,097</u>	<u>\$ 16,958</u>	<u>\$ 427,641</u>

The accompanying notes are an integral part of these financial statements.

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Brevard County, Florida**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

June 30, 2023

Total fund balance - governmental funds \$ 103,781

Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not
financial resources and, therefore, are not reported as
assets in the governmental funds. The cost of the capital
assets are \$3,036,692 and the accumulated depreciation is
\$900,039. 2,136,653

Long-term liabilities, including notes payable, are not due
and payable in the current period and, therefore, are not
reported as liabilities in the governmental funds. Long-term
liabilities at year end consist of:

Notes payable (203,032)

Total net position - governmental activities \$ 2,037,402

The accompanying notes are an integral part of these financial statements.

EMMA JEWEL CHARTER ACADEMY, INC.

A Charter School and Component Unit of the
District School Board of Brevard County, Florida

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

Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Revenues				
Federal sources passed through local school district	\$ -	\$ 1,322,357	\$ -	\$ 1,322,357
State and local sources	2,859,766	1,705	-	2,861,471
Contributions and other revenue	629,172	-	-	629,172
Total revenues	<u>3,488,938</u>	<u>1,324,062</u>	<u>-</u>	<u>4,813,000</u>
Expenditures				
Current:				
Instruction	1,391,259	842,620	-	2,233,879
Instructional staff training	75	80,481	-	80,556
Board	13,141	-	-	13,141
General administration	94,531	-	-	94,531
School administration	655,838	1,607	-	657,445
Fiscal services	27,432	-	-	27,432
Food services	38,686	375,134	-	413,820
Transportation	79,938	24,220	-	104,158
Operation of plant	470,095	-	-	470,095
Maintenance of plant	208,418	-	-	208,418
Administrative technology services	96,495	-	-	96,495
Debt service:				
Principal	-	-	248,656	248,656
Interest	-	-	23,363	23,363
Community services	750	-	-	750
Capital outlay	385,095	-	-	385,095
Total expenditures	<u>3,461,753</u>	<u>1,324,062</u>	<u>272,019</u>	<u>5,057,834</u>
Excess (deficiencies) of revenue over expenditures	<u>27,185</u>	<u>-</u>	<u>(272,019)</u>	<u>(244,834)</u>
Other financing sources (uses)				
Operating transfer in	-	-	147,019	147,019
Operating transfer out	(147,019)	-	-	(147,019)
Debt proceeds long term debt	-	-	125,000	125,000
Total other financing sources	<u>(147,019)</u>	<u>-</u>	<u>272,019</u>	<u>125,000</u>
Net changes in fund balance	<u>(119,834)</u>	<u>-</u>	<u>-</u>	<u>(119,834)</u>
Fund balance at beginning of year	<u>223,615</u>	<u>-</u>	<u>-</u>	<u>223,615</u>
Fund balance at end of year	<u>\$ 103,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,781</u>

The accompanying notes are an integral part of these financial statements.

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Brevard County, Florida**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

Year Ended June 30, 2023

Net change in fund balances - total government funds \$ (119,834)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Total fixed capital outlay	\$ 385,095	
Less: depreciation	<u>(219,989)</u>	165,106

The issuance of long-term debt (e.g. notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. These amounts are the net effect of these differences in the treatment of long-term debt and related items:

Principal payments on long-term debt	248,656	
Proceeds from long-term debt	<u>(125,000)</u>	

Change in net position of governmental activities \$ 168,928

The accompanying notes are an integral part of these financial statements.

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Brevard County, Florida**

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Emma Jewel Charter Academy, Inc. (the "School"), is a not-for-profit corporation that operates under a charter approved by the sponsoring district, the District School Board of Brevard County Florida (the "School Board"). The governing body of the School is the Board of which is composed of at least three members.

Charter Contract

The current charter expires June 30, 2027 and may be renewed for a maximum of an additional fifteen years by mutual written agreement between the School and the School Board. Upon the expiration of the charter, the School Board may elect not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the School in writing at least 90 days prior to the charter expiration. However, the School Board may terminate the current charter at any time if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School Board.

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide - *Audits for States and Local Governments* and provisions in the Florida Statutes, the School is considered as a governmental organization for financial statement reporting purposes. The School is required by its agreement with the School Board to use the governmental reporting model and follow the fund and accounting structure provided in the "Financial and Program Cost Accounting and Reporting for Florida Schools - The Red Book" issued by the Florida Department of Education (FDOE).

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School in a manner similar to those of a private-sector business. The statement of net position and statement of activities are designed to provide financial information as a whole about the School on an accrual basis of accounting. The statement of net position provides information about the School's financial position, its assets and liabilities, using an economic resources measurement focus.

The statement of activities presents a comparison between direct expenses and program revenue for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a program or function, therefore, are clearly identifiable to a particular function.

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**A Charter School and Component Unit of the
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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Government-wide Financial Statements

Program revenues include charges paid by the recipient for goods and services offered by the program, grants and contributions restricted for meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenue.

Fund Financial Statements

The governmental fund financial statements report detailed information about the School's most significant funds, not the School as a whole. A fund is a group of related accounts used to maintain control over resources segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance related requirements. Certain funds are established by law while others are created by grant agreements. The following are major individual governmental funds reported in the fund financial statements:

- General Fund – is the School's primary operating fund that accounts for all financial resources of the School, except those required to be accounted for in another fund.
- Special Revenue Fund – to account for the proceeds of specific revenue sources restricted or committed to the expenditures for a specific purpose, including all federal grant revenues passed through the School District (i.e., Title 1, Title 2, National School Lunch Program).
- Debt Service Fund – to account for the accumulation of resources for, and payment of general long-term debt principle, interest, and related costs.

For the purpose of these statements, the general, debt service and special revenue funds are considered major funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reports 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 reported using the accrual basis of accounting. Revenues are recognized when earned and expenses/expenditures are recognized when a liability is incurred, regardless of the timing the related cash flows take place.

EMMA JEWEL CHARTER ACADEMY, INC.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Basis of Accounting

Governmental fund financial statements are reported using the modified accrual basis of accounting. Under this method, revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. The School considers revenues to be available if they are collected within 60 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, revenues are recognized at the time the expenditure is made. Expenditures are recorded 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisition of capital leases are reported as other financing sources.

Budgetary Basis Accounting

Budgets are prepared using the modified accrual basis of accounting and the governing board must approve all budgets and amendments. During the fiscal year, expenditures were controlled at the object level. Budgets may be amended by resolution of the Board prior to the date of the annual report.

Cash and Cash Equivalents

The School's cash and cash equivalents consist primarily of demand deposits with financial institutions.

The School maintains its cash with one financial institution. The School's accounts at this institution, at times, may exceed the federally insured limit. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant risks.

Prepaid Items

Payment made to vendors for services that will benefit periods beyond June 30 2023, are recorded as prepaid items in both government-wide and fund financial statements.

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**A Charter School and Component Unit of the
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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Interfund Balances and Transfers

The purpose of interfund transfers are to cover receipts and payments made from the general fund on behalf of the special revenue and debt service funds.

Capital Assets and Depreciation

The School's capital assets with useful lives of more than one year are stated at historical cost and reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their acquisition value on the date of donation. The School capitalizes assets with a cost of \$750 or more. Expenditures of normal maintenance and repair that do not add to the assets' value or extend the useful lives are not capitalized. Depreciation is computed using the straight-line method. Estimated useful lives of the assets are as follows:

<u>Assets</u>	<u>Years</u>
Leasehold improvements	30
Furniture, fixtures and equipment	3-5

Net Position and Fund Balance Classifications

Government-Wide financial statements

Net Position is classified and reported in three components:

- Investment in capital assets, net of related debt – 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 – consists of amounts with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted – all other amounts 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 reported within one of the following fund balance categories:

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Net Position and Fund Balance Classifications

- Nonspendable – fund balance associated with inventories, prepaid items, 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 not spendable form.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Governance.
- Assigned – fund balance classification includes amounts that are intended to be used by the School's management for specific purposes but do 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.

This statement also clarifies the definition of the special revenue fund to denote that the special revenue may be used to account for the proceeds of specific revenue sources (other than trust for individual, private organizations or other governmental or for major capital projects) legally restricted to expenditures for specified purposes.

Order of Fund Balance Spending Policy

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

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Brevard County, Florida**

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Revenue Sources

Revenues for operations are received primarily from the District School Board of Brevard County, Florida pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School District. The School Board receives a 5% administrative fee from the School, which is withheld from the respective FEFP payments. The administrative expense is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances - governmental funds. The administrative fee is calculated on the FEFP revenue up to 250 students.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of students and related data to 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 reported by the School during the designated full-time equivalent student survey period. The FDOE may also adjust subsequent fiscal period allocations based on an audit of the School's compliance in determining and reporting FTE and related data. Generally, such adjustments are treated as reductions or additions of revenues in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida 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 year ended June 30, 2023, the School reported 341 unweighted FTE.

The School received additional funding under other federal and state grants. This assistance is generally received based on applications submitted to various granting agencies. For federal and state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred.

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Brevard County, Florida**

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

Accounting Pronouncements Implemented

GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, in May 2020. GASB 96 increases the usefulness of governments' financial statements by requiring recognition of certain assets and liabilities for SBITAs that previously recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for SBITAs accounting based on the foundational principle that SBITAs are financings of the right to use an underlying asset. The provisions in GASB 96 were implemented in the year ended June 30, 2023. The implementation of the new pronouncement did not have any impact on the financial statements as the School does not hold any SBITAs.

NOTE 2 – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments.

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 – FAIR VALUE MEASUREMENTS (continued)

In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The School's significant financial instruments are cash, accounts receivable, accounts payable, short term borrowings, and other short term assets and liabilities. For these financial instruments (Level 1), carrying values approximate fair value because of the short maturity of these instruments.

NOTE 3 – DUE FROM OTHER AGENCIES

Due from other agencies included in the accompanying financial statements include approximately \$17,000 of capital outlay, \$6,000 food service funds, \$75,000 of federal grant revenue, and \$76,000 of local grants and donations. Based on the source of the funds, management has evaluated the collectability and an allowance for doubtful accounts is not considered necessary.

EMMA JEWEL CHARTER ACADEMY, INC.

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District School Board of Brevard County, Florida**

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Balance at July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2023</u>
Capital assets:				
Buildings and improvements	\$ 2,047,669	\$ 165,339	\$ -	\$ 2,213,008
Furniture, fixtures, & equipment	388,583	91,840	-	480,423
Vehicles	215,345	127,916	-	343,261
Total capital assets	<u>2,651,597</u>	<u>385,095</u>	<u>-</u>	<u>3,036,692</u>
Accumulated depreciation:				
Buildings and improvements	(417,827)	(71,140)	-	(488,967)
Furniture, fixtures, & equipment	(217,359)	(91,923)	-	(309,282)
Vehicles	(44,864)	(56,926)	-	(101,790)
Total accumulated depreciation	<u>(680,050)</u>	<u>(219,989)</u>	<u>-</u>	<u>(900,039)</u>
Capital assets, net	<u>\$ 1,971,547</u>	<u>\$ 165,106</u>	<u>\$ -</u>	<u>\$ 2,136,653</u>
Depreciation expense:				
Food Services		\$ 5,476		
School administration		214,513		
Total governmental activities depreciation expense		<u>\$ 219,989</u>		

NOTE 5 – LONG-TERM LIABILITIES

The School has four long-term note payables outstanding at June 30, 2023, as described below:

The School has entered into a long-term note payable with Building Hope, a Charter School Facilities Fund. Effective September 2018, principal and interest payments of \$4,560 are due monthly. The note bears interest at 4.75% and matures July 2023. The note is secured by a first priority lien. In the event the School's charter is terminated, Building Hope has the right to assume the lease and re-rent the property, which has an assigned value of \$550,000.

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Brevard County, Florida**

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 5 – LONG-TERM LIABILITIES (continued)

The following is a summary of changes in the Building Hope note payable for the year ended June 30, 2023:

Balance outstanding at the beginning of the year	\$ 61,990
Addition	-
Reduction	<u>(52,923)</u>
Balance outstanding at the end of the year	<u>\$ 9,067</u>

The School entered into a long-term note payable with Florida Community Loan Fund. Effective July 2018, principal and interest payments of \$4,220 are due monthly. The note bears interest at 4.75% and matures December 2023.

The following is a summary of changes in the Florida Community Loan Fund note payable for the year ended June 30, 2023:

Balance outstanding at the beginning of the year	\$ 74,536
Addition	-
Reduction	<u>(47,979)</u>
Balance outstanding at the end of the year	<u>\$ 26,557</u>

The School entered into a long-term note payable with a financial institution to purchase two school buses. Effective April 2022, principal and interest payments of \$2,769 are due monthly. The note bears interest at 5.30% and matures June 2029.

The following is a summary of changes in the note payable for the year ended June 30, 2023:

Balance outstanding at the beginning of the year	\$ 190,162
Addition	-
Reduction	<u>(25,754)</u>
Balance outstanding at the end of the year	<u>\$ 164,408</u>

EMMA JEWEL CHARTER ACADEMY, INC.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 5 – LONG-TERM LIABILITIES (continued)

The School entered into a long-term note payable with Building Hope to purchase a school bus, effective December 2022.

The following is a summary of changes in the note payable for the year ended June 30, 2023:

Balance outstanding at the beginning of the year	\$	-
Addition		125,000
Reduction		<u>(122,000)</u>
Balance outstanding at the end of the year	\$	<u>3,000</u>

Future debt service related to the long-term liabilities is as follows as of June 30, 2023:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended June 30,			
2024	\$ 63,413	\$ 9,018	\$ 72,431
2025	26,135	7,093	33,228
2026	27,554	5,674	33,228
2027	29,051	4,177	33,228
2028	30,628	2,600	33,228
Thereafter	26,251	903	27,154
Total	<u>\$ 203,032</u>	<u>\$ 29,465</u>	<u>\$ 232,497</u>

Interest paid during the year ended June 30, 2023 totaled approximately \$23,000.

EMMA JEWEL CHARTER ACADEMY, INC.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 6 – SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

Source	Amount
District School Board of Brevard County, Florida	
Florida Education Finance Program	\$ 1,625,375
Class size reduction	332,163
Capital outlay	227,131
Discretionary milage funds	190,756
ESE guaranteed allocation	120,859
Supplemental academic instruction	89,315
Teacher salary increase	88,455
Transportation	39,877
Discretionary compression	44,805
Instructional materials	25,140
Safe schools	23,668
Reading allocation	17,947
Mental health	15,406
Compression Allocation	8,823
Lead teacher	6,201
Security grant	2,259
Library media materials	1,586
Total	<u>\$ 2,859,766</u>

The administrative fee paid to the School Board during the year ended June 30, 2023 totaled approximately \$95,000 which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balance - governmental funds.

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 7 – RISK MANAGEMENT PROGRAM

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

NOTE 8 – EDUCATIONAL MANAGEMENT PROVIDERS

Beginning fiscal year 2014, the Board of Directors entered into a contract with Charter School Services Corporation, Inc. (CSSC) to provide business and educational oversight services to the School. The Board of Directors operates the School independently. CSSC works with the Principal to manage the School on a day-to-day basis. The Principal oversees academics and CSSC oversees all other operations. CSSC's continuing fee is based upon a fee of \$100 per student enrolled. The administration fee paid to CSSC during the year ended June 30, 2023 totaled \$27,432. The fee is reflected as school administration expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances - governmental funds.

NOTE 9 – COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The School participates in state and federal 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 receivable at year end may be impaired.

Management believes there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision have been recorded in the accompanying financial statements for such contingencies.

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. In the past three years, settlement amounts have not exceeded insurance coverages.

EMMA JEWEL CHARTER ACADEMY, INC.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 9 – COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Lease commitments

March 28, 2013, the School entered into a sublease agreement with Brevard County for use of the building. This lease expires March of 2056. The sublease may be modified and assigned in whole or in part to Building Hope and Florida Community Loan Fund, Inc. if the School ceases to operate prior to July 1, 2023. The sublease requires that the School pays and maintains fire, extended risk, pollution, and liability insurance coverage for all building, structures and their contents.

Future minimum payments under this lease agreement are as follows:

Year ended June 30:	
2024	\$ 300
2025	300
2026	300
2027	300
2028	300
2029-2056	8,100
Total lease payments	<u>\$ 9,600</u>

NOTE 10 – INCOME TAXES

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is therefore, exempt from income taxes. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. The School's income tax returns for 2020, 2021, and 2022 are subject to examination by tax authorities, and may change upon examination.

EMMA JEWEL CHARTER ACADEMY, INC.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 – SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 25, 2023, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

EMMA JEWEL CHARTER ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Brevard County, Florida**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State and local sources	\$ 2,985,962	\$ 2,859,766	\$ 2,859,766	\$ -
Contributions and other revenue	474,833	629,172	629,172	-
Total revenues	<u>3,460,795</u>	<u>3,488,938</u>	<u>3,488,938</u>	<u>-</u>
Expenditures				
Current:				
Instruction	1,792,077	1,391,259	1,391,259	-
Instructional staff training	-	75	75	-
Board	13,450	13,141	13,141	-
General administration	-	94,531	94,531	-
School administration	606,264	655,838	655,838	-
Fiscal services	314,713	27,432	27,432	-
Food services	333,539	38,686	38,686	-
Transportation	82,902	79,938	79,938	-
Operation of plant	417,825	470,095	470,095	-
Maintenance of plant	120,000	208,418	208,418	-
Community services	-	750	750	-
Administrative technology services	128,700	96,495	96,495	-
Capital outlay	-	385,095	385,095	-
Total expenditures	<u>3,809,470</u>	<u>3,461,753</u>	<u>3,461,753</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>(348,675)</u>	<u>27,185</u>	<u>27,185</u>	<u>-</u>
Other financing sources (uses)				
Operating transfer out	-	(147,019)	(147,019)	-
Total other financing sources (uses)	<u>-</u>	<u>(147,019)</u>	<u>(147,019)</u>	<u>-</u>
Net changes in fund balance	<u>(348,675)</u>	<u>(119,834)</u>	<u>(119,834)</u>	<u>-</u>
Fund balance at beginning of year	<u>223,615</u>	<u>223,615</u>	<u>223,615</u>	<u>-</u>
Fund balance at end of year	<u>\$ (125,060)</u>	<u>\$ 103,781</u>	<u>\$ 103,781</u>	<u>\$ -</u>

EMMA JEWEL CHARTER ACADEMY, INC.

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BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Federal passed through local school district	\$ 605,449	\$ 1,322,357	\$ 1,322,357	\$ -
State and local sources	-	1,705	1,705	-
Total revenues	<u>605,449</u>	<u>1,324,062</u>	<u>1,324,062</u>	<u>-</u>
Expenditures				
Current:				
Instruction	155,461	842,620	842,620	-
Instructional staff training	50,000	80,481	80,481	-
School administration	40,000	1,607	1,607	-
Food services	330,539	375,134	375,134	-
Transportation	15,925	24,220	24,220	-
Total expenditures	<u>591,925</u>	<u>1,324,062</u>	<u>1,324,062</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	13,524	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ 13,524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTAL INFORMATION



Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Renee C. Varga
Richard F. Hayes
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INDEPENDENT AUDITOR'S 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 of Emma Jewel Charter Academy, Inc.
A Charter School and Component Unit of the District
School Board of Brevard 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, each major fund, and the aggregate remaining fund information of Emma Jewel Charter Academy, Inc. (the "School"), a Charter School and Component Unit of the District School Board of Brevard County, Florida, as of and for the year ended June 30, 2023, 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 25, 2023.

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 of 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 25, 2023



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

To the Board of Directors of Emma Jewel Charter Academy, Inc.,
A Charter School and Component Unit of the District
School Board of Brevard County, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Emma Jewel Charter Academy, Inc.'s (the "School"), 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 the School's major federal programs for the year ended June 30, 2023. The School'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, Emma Jewel Charter Academy, Inc. 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, 2023.

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 the School 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 the School'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 the School'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 the School'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.

Auditor's Responsibilities for the Audit of Compliance (continued)

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 the School'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 the School'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 the School'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 the School'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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 25, 2023

EMMA JEWEL CHARTER ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS

June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 1. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No |
| 4. Dollar threshold used to distinguish between Type A and Type B programs | \$750,000 |
| 5. Auditee qualified as a low-risk auditee? | Yes |

Identification of major programs:

<u>Name of Federal Programs</u>	<u>ALN</u>
Education Stabilization Fund	84.425

EMMA JEWEL CHARTER ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS

June 30, 2023

Section II – Financial Statement Findings

No current year findings (no corrective action plan or management letter required)

Section III – Federal Findings and Questioned Costs

None (there are no items related to Federal Programs required to be reported in the management letter, therefore no management letter issued)

Section IV – Status of Prior Year Audit Findings

None reported (no corrective action plan or management letter required)

Emma Jewel Charter Academy, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

Grantor/Program Title	ALN	Award Number	Expenditures
Federal Awards:			
U.S. Department of Agriculture			
<i>Passed through Florida Department of Agriculture and Consumer Services</i>			
National School Lunch Program	10.555	20657	\$ 300,957
School Breakfast Program	10.553		<u>112,862</u>
Total Child Nutrition Cluster			413,819
U.S. Department of Education			
<i>Passed through Florida Department of Education and District School Board of Brevard County, Florida</i>			
Education Stabilization Fund			
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	COVID-19, 84.425U	449018	<u>572,999</u>
Total Education Stabilization Fund			572,999
Title I Grants to Local Educational Agencies	84.010	423001	274,824
Special Education - Grants to States (IDEA, Part B)	84.027		21,593
Title II Grants to Local Educational Agencies	84.367	423007	13,831
Student Support and Academic Enrichment Grants	84.424	423079	1,071
Total passed through Florida Department of Education			<u>884,318</u>
U.S. Department of Housing and Urban Development			
<i>Passed through Board of County Commissioners of Brevard County, Florida</i>			
Community Development Block Grants	14.218		<u>24,220</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,322,357</u></u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards and presented on the accrual basis of accounting. The information in this 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Indirect Cost Rates

The School has elected to not use the 10% de minimis indirect cost rate for its federal programs for the year ended June 30, 2023. The indirect cost rates used on the School's federal programs are determined by the relevant federal agency.

See independent auditor's report.



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MANAGEMENT LETTER

To the Board of Directors of Emma Jewel Charter Academy, Inc.
A Charter School and Component Unit of the District
School Board of Brevard County, Florida

Report on the Financial Statements

We have audited the financial statements of Emma Jewel Charter Academy, Inc. (the "School"), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 25, 2023.

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); and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

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 required by the Uniform Guidance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated September 25, 2023, 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. In that regard, the School did not have prior year findings.

Official Title

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 *Emma Jewel Charter Academy, Inc. (056523)*.

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 or not 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.

Financial Condition and Management (continued)

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 us to apply appropriate procedures and communicate 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 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, the Board of Directors, applicable management, and the District School Board of Brevard County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 25, 2023

MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES

For the year ended June 30, 2023, there were no management finding, recommendations or responses.