

STELLAR LEADERSHIP ACADEMY, INC.

**A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF
MIAMI-DADE COUNTY, FLORIDA**

**FINANCIAL STATEMENTS WITH INDEPENDENT
AUDITORS' REPORTS THEREON**

YEAR ENDED JUNE 30, 2024



STELLAR LEADERSHIP ACADEMY, INC.
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**STELLAR LEADERSHIP ACADEMY, INC.
SCHOOL BOARD AND ADMINISTRATION
JUNE 30, 2024**

Board of Directors

Board Chair

Fathiyyah Doster

Vice-President

Donald Irving

Secretary/ Treasurer

Anthony Harris

Board Members

Dannie McMillion

Tracy Bowen-Bell

School Administration

Principal

Angel Chaisson

Vice Principal

Angela Kemp

Dean

Mosiah Ramontal

Dean

Ashley Young



Thomas & Company, CPA, PA
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Stellar Leadership Academy, Inc.
Miami, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of Stellar Leadership Academy, Inc. (the Charter School), which is a component unit of the Miami-Dade County District School Board, Miami, Florida as of, and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises the Charter 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 and each major fund of Stellar Leadership Academy, Inc. as of June 30, 2024, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Stellar Leadership Academy 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 Stellar Leadership Academy, Inc.'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.

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Member: American Institute of Certified Accountants & Florida State Board of Accountancy

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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. 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 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 Stellar Leadership Academy, Inc.'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 Stellar Leadership Academy'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 schedule on pages 7–16 and 34-36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

Required Supplementary Information (Continued)

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 dated September 10, 2024, on our consideration of the Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stellar Leadership Academy, Inc.'s internal control over financial reporting and compliance.



Thomas & Company CPA PA
Cooper City, Florida
September 10, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
YEAR ENDED JUNE 30, 2024

As management of Stellar Leadership Academy, Inc.’s (“Academy”), we offer readers of the Charter School’s financial statements this narrative overview and analysis of the financial activities of the Charter School for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here through page 17 of this report.

FINANCIAL HIGHLIGHTS

The following are among the major financial highlights:

- On June 30, 2024, the Charter School had a net position of \$ 2,347,049.
- On June 30, 2024, the Charter School had current assets of \$ 1,700,273.
- The Academy’s revenues exceeded expenses by \$ 1,071,163 increasing its total net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements and the notes thereto, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the school:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the school’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the school, reporting the school’s operations in more detail than the government-wide statements.
- The governmental funds financial statements tell how general school services were financed in the short term, as well as what remains for future spending.

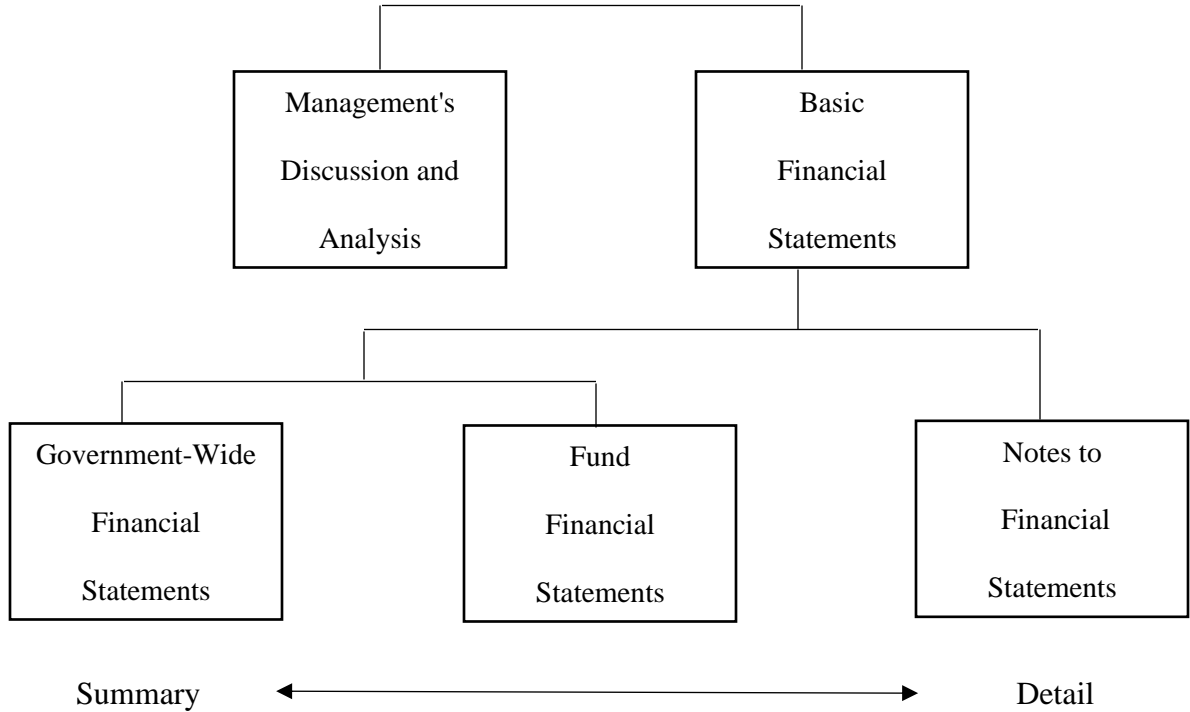
The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

This document also includes the independent auditors’ report on compliance and internal control required by *Government Auditing Standards*, as well as the management letter required by the Rules of the Florida Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities, The Florida Virtual School, and Virtual Instruction Program Providers*.

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
YEAR ENDED JUNE 30, 2024

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Annual Report Format



STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
YEAR ENDED JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The following table summarizes the major features of the school’s financial statements, including the portion of the school they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Basic Financial Statements		
	Government-Wide Statements	Governmental Funds
Scope	Entire School not including fiduciary	The activities of the school that are not proprietary or fiduciary
Required financial statements	* Statement of Net Position * Statement of Activities	* Balance Sheet * Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.
Type of assets/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets/deferred outflows of resources expected to be used up and liabilities/deferred inflows of resources that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.

Government-wide Financial Statements

The government-wide financial statements report information about the Charter School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Charter School’s assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year’s revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
YEAR ENDED JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements (Continued)

The two government-wide statements report on the school’s net position and how they have changed. Net position—the difference between the school’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is one way to measure the school’s financial health or position.

- Over time, increases or decreases in the school’s net position are indicators of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the school you need to consider additional non-financial factors such as changes in the Charter School’s student base, safety at the Charter School and quality of education.

In the government-wide financial statements the schools are shown in one category:

- Governmental Activities – The Charter School’s basic services are included here, such as regular and special education and administration. State aids finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Charter School’s funds – focusing on its most significant or “major” funds – not the Charter School as a whole. Funds are accounting devices the Charter School uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.
- The Charter School can establish other funds to control and manage money for particular purposes (e.g., federal grants).

The Charter School has one fund type:

Governmental Funds – The Charter School’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent soon to finance the school’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide separate reconciliations to explain the relationship (or differences) between them.

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
YEAR ENDED JUNE 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements (Continued)

The Charter School uses or may use the following types of Governmental Funds:

- General Fund - is the Charter School’s primary operating fund. It accounts for all financial resources of the Charter School, except those required to be accounted for in another fund.
- Special Revenue Funds – account for specific revenue, such as federal grants, that is legally restricted to expenditures for particular purposes.
- Capital Projects Fund – accounts for the financial resources accumulated that are restricted for capital outlays.

FINANCIAL ANALYSIS OF THE CHARTER SCHOOL AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table provides the Charter School's net position as of June 30, 2024, and 2023:

	<u>Condensed Statement of Net Position</u>		
	<u>Governmental Activities</u>		<u>Variance</u>
	<u>as of June 30,</u>		
	<u>2024</u>	<u>2023</u>	
Assets			
Current Assets	\$ 1,700,273	\$ 716,716	\$ 983,557
Non-Current Assets	1,058,267	1,295,012	(236,745)
Total Assets	<u>2,758,540</u>	<u>2,011,728</u>	<u>746,812</u>
Liabilities and Net Position			
Liabilities			
Current Liabilities	411,491	396,926	14,565
Non-Current Liabilities	-	338,916	(338,916)
Total Liabilities	<u>411,491</u>	<u>735,842</u>	<u>(324,351)</u>
Net Position			
Net Investment in Capital Assets	719,355	622,123	97,232
Unrestricted	1,627,694	653,763	973,931
Total Net Position	<u>2,347,049</u>	<u>1,275,886</u>	<u>1,071,163</u>
Total Liabilities and Net Position	<u>\$ 2,758,540</u>	<u>\$ 2,011,728</u>	<u>\$ 746,812</u>

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE (CONTINUED)

Net Position (Continued)

The Charter School reports a positive balance in net position of \$ 2,347,049 as of June 30, 2024, with a net increase of \$ 1,071,163 for the year. The Charter School's net position reflects its investment in capital assets (e.g. land, buildings, building improvements, furniture, fixtures and equipment) net of related debt. The Charter School uses its capital assets to provide services to students. Consequently, these assets are not available for future spending.

Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2024, the Charter School had no restricted assets. The remaining unrestricted balance may be used in any of the Charter School's ongoing operations.

Current assets of the Charter School primarily consist of accounts receivable and cash and cash equivalents. The current assets increased as a result of the current year increase in accounts receivable related to revenue recognized on account of the 2018 Miami-Dade County millage-levy referendum final settlement agreement. The increase in current liabilities is because there was more accrued payroll as of June 30, 2024. There was a decrease in noncurrent liabilities during the year due to the repayment of lease liabilities. The change in total net position was due to the current year's increase in net position.

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE (CONTINUED)

Changes in Net Position

The following table compares the changes in the Charter School's net position from its activities for the fiscal years ended June 30, 2024, and 2023:

Statement of Changes in Net Position

	Governmental Activities as of		Variance
	June 30,		
	2024	2023	
Revenue:			
General Revenues	\$ 3,790,383	\$ 2,720,684	\$ 1,069,699
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	483,945	729,988	(246,043)
Capital Grants and Contributions	250,541	204,006	46,535
Total Revenue	4,524,869	3,654,678	870,191
Expenses:			
Instruction	1,363,308	1,214,472	148,836
Student Support Services	20,528	60,791	(40,263)
Instruction and Curriculum Development Services	2,453	-	2,453
Instructional Staff Training Services	23,144	-	23,144
School Board	34,425	38,894	(4,469)
General Administration	204,108	199,116	4,992
School Administration	567,638	529,319	38,319
Fiscal Services	87,458	92,984	(5,526)
Food Services	104,558	139,507	(34,949)
Operation of Plant	434,788	432,823	1,965
Student Transportation Services	36,941	36,353	588
Interest on Long-term Debt	9,959	14,834	(4,875)
Unallocated Depreciation & Amortization Expense	564,398	529,036	35,362
Total Expenses	3,453,706	3,288,129	165,577
Change in Net Position	\$ 1,071,163	\$ 366,549	\$ 704,614

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE (CONTINUED)

Revenues increased primarily as a result of receiving more federal grants and additional state source revenue for the fiscal year ended June 30, 2024. Expenditures increased primarily as a result of additional payroll and other expenditures incurred related to instruction, school administration, and operation of plant.

- At the end of the fiscal year there were 318 students in grades 9th through 12th grade. Revenues are based on the amount received per student from the State through the School Board of Miami-Dade County.
- Expenses for instruction are the result of teachers’ salaries and related benefits, and also materials and supplies that directly impact student learning.
- School administration is due primarily to administrator and other administrative personnel related benefits as well as administrative costs.
- The expense for student transportation services is due to the transportation of students to and from school.
- Operation of plant expenses consists of utilities, communications, insurance costs, support personnel and related benefits.

FINANCIAL ANALYSIS OF THE CHARTER SCHOOL’S FUNDS

As noted earlier, the Charter School uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The focus of the Charter School’s governmental funds is to provide information on near-term inflows, outflows and spendable resources. Such information is useful in assessing the Charter School’s financing requirements. Unassigned fund balance may serve as a useful measure of the Charter School’s net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2024 the Charter School’s governmental fund reported a positive ending fund balance of \$1,627,694.

BUDGETARY HIGHLIGHTS – GENERAL FUND

Prior to the start of the school’s fiscal year, the Board of the School adopted an annual budget. A budgetary comparison statement has been provided as part of the required supplementary information for the governmental funds to demonstrate compliance with the school’s budget.

Actual revenues were \$ 1,112,678 (42 %) higher than expected. Actual expenditures were \$ 224,502 higher than budget for 8% variance. While the budget had reflected an increase of \$ 1,610 for the year, the actual results reflected a net \$ 889,786 increase in ending fund balance for a net variance of \$888,176.

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE (CONTINUED)

BUDGETARY HIGHLIGHTS – SPECIAL REVENUE FUND

Prior to the start of the school’s fiscal year, the Board of the School adopted an annual budget. A budgetary comparison statement has been provided as part of the required supplementary information for the governmental funds to demonstrate compliance with the school’s budget.

Actual revenues were \$ 136,220 (22 %) lower than expected. Actual expenditures were \$ 269,800 higher than the budget for a 208 % variance. While the budget had reflected an increase of \$ 490,165 for the year, the actual results reflected a net \$ 84,145 increase in ending fund balance for a net variance of \$ (406,020).

CAPITAL ASSETS, RIGHT-TO-USE ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Academy’s investment in capital and right-to-use assets as of June 30, 2024, was \$1,058,267. This amount is net of accumulated depreciation and amortization of \$ 2,083,485. Capital assets additions in the current year include new computer software and furniture, fixtures and equipment. A more detailed analysis is provided in Note 4.

Non-current Liabilities

The Charter School has no non-current liability as of June 30, 2024. Additional information regarding the Charter School’s debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The following economic indicators were considered when adopting the general fund budget for fiscal year 2024-25:

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

Budgeted governmental fund expenditures are expected to decrease to \$ 2,779,049 or 22%, from the fiscal 2024 actual figure of \$ 3,550,938. The school is allocating resources to enhance academic achievement at all student-learning levels and for anticipated student membership. The increased expenditure base includes salary increases, the rising cost of health care and increases in other fixed recurring costs for School operations.

If these estimates are realized, the school’s general fund balance is expected to increase by the close of fiscal 2025.

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
YEAR ENDED JUNE 30, 2024

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE (CONTINUED)

Amounts available for appropriation in the governmental funds are \$4,072,602 an approximate 10% decrease from the actual 2024 amount. A predominate factor affecting the budget is the school's funded student membership. The funded membership for the fiscal year is 100 percent of June 2024 student count. The fiscal year 2024-25 budget is based on a slightly lower student count than the official student membership count funded in 2024-25. During the year, aggregate revenues are expected to increase as the student membership decreases below the actual student count from the 2024 school year due to the fact there was an increase in the student allocation per student FTE.

SCHOOL ENROLLMENT

During the fiscal year June 30, 2024, the grade levels at the Charter School ranged from Grade 9th through Grade 12th, with a total enrollment of 318 students.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Academy's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Stellar Leadership Academy, Inc., 7900 Northwest 27th Avenue, Suite F-1, Miami, Florida 33147.

BASIC FINANCIAL STATEMENTS

STELLAR LEADERSHIP ACADEMY, INC.

STATEMENT OF NET POSITION

AS OF JUNE 30, 2024

	<u>Governmental</u> <u>Activities</u>
ASSETS	
Current Assets	
Cash	\$ 833,442
Accounts Receivable	845,373
Deposit Receivable	21,458
Total Current Assets	<u>1,700,273</u>
Non-Current Assets	
Capital Assets, Net	730,722
Right-to-use Assets, Net	327,545
Total Non-Current Assets	<u>1,058,267</u>
TOTAL ASSETS	<u><u>2,758,540</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Current Liabilities	
Salaries and Wages Payable	49,307
Accounts Payable	23,272
Current Portion - Lease Liability	338,912
Total Current Liabilities	<u>411,491</u>
TOTAL LIABILITIES	<u>411,491</u>
NET POSITION	
Net Investment in Capital Assets	719,355
Unrestricted	1,627,694
TOTAL NET POSITION	<u><u>2,347,049</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 2,758,540</u></u>

“The accompanying notes are an integral part of this financial statement.”

STELLAR LEADERSHIP ACADEMY, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

	Program Revenues			Net Revenues (Expenses) and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities					
Instruction	\$ 1,363,308	\$ -	\$ 294,648	\$ -	\$ (1,068,660)
Student Support Services	20,528	-	-	-	(20,528)
Instruction and Curriculum Development Services	2,453	-	-	-	(2,453)
Instructional Staff Training Services	23,144	-	-	-	(23,144)
School Board	34,425	-	-	-	(34,425)
General Administration	204,108	-	-	-	(204,108)
School Administration	567,638	-	-	-	(567,638)
Fiscal Services	87,458	-	-	-	(87,458)
Food Services	104,558	-	188,703	-	84,145
Operation of Plant	434,788	-	594	250,541	(183,653)
Student Transportation Services	36,941	-	-	-	(36,941)
Interest on Long-term Debt	9,959	-	-	-	(9,959)
Unallocated Depreciation & Amortization Expense	564,398	-	-	-	(564,398)
Total Governmental Activities	\$ 3,453,706	\$ -	\$ 483,945	\$ 250,541	(2,719,220)
General Revenue:					
					2,587,354
					1,203,029
					3,790,383
Change in Net Position					
					1,071,163
					1,275,886
					\$ 2,347,049

“The accompanying notes are an integral part of this financial statement.”

STELLAR LEADERSHIP ACADEMY, INC.
BALANCE SHEET- GOVERNMENTAL FUNDS
AS OF JUNE 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 833,442	\$ -	\$ -	\$ 833,442
Accounts Receivable, Net	800,995	21,770	22,608	845,373
Deposit Receivable	21,458	-	-	21,458
Due from other fund	-	246,349	-	246,349
TOTAL ASSETS	<u>1,655,895</u>	<u>268,119</u>	<u>22,608</u>	<u>1,946,622</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Salaries and Wages Payable	49,307	-	-	49,307
Accounts Payable	23,272	-	-	23,272
Due to other fund	223,741	-	22,608	246,349
TOTAL LIABILITIES	<u>296,320</u>	<u>-</u>	<u>22,608</u>	<u>318,928</u>
FUND BALANCES				
Nonspendable				
Deposits Receivable	21,458	-	-	21,458
Unassigned	1,338,117	268,119	-	1,606,236
TOTAL FUND BALANCES	<u>1,359,575</u>	<u>268,119</u>	<u>-</u>	<u>1,627,694</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,655,895</u>	<u>\$ 268,119</u>	<u>\$ 22,608</u>	<u>\$ 1,946,622</u>

STELLAR LEADERSHIP ACADEMY, INC.
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

Total Fund Balances - Governmental Funds **\$ 1,627,694**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.

Cost of Capital Assets	1,831,566	
Accumulated Depreciation	<u>(1,100,844)</u>	730,722

Right-to-use assets and liabilities used in governmental activities are not financial resources or obligations and therefore are not reported

Right-to-use Asset	327,545	
Lease Liability	<u>(338,912)</u>	

Total Net Position - Governmental Activities **\$ 2,347,049**

STELLAR LEADERSHIP ACADEMY, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenue				
School Board of Miami- Dade County - FTE	\$ 2,587,354	\$ -	\$ -	\$ 2,587,354
Operating Grants and Contributions	-	483,945	-	483,945.00
Capital Grant and Other Contributions	-	-	250,541	250,541.00
Miscellaneous Revenues	1,203,029	-	-	1,203,029.00
Total Revenue	3,790,383	483,945	250,541	4,524,869
Expenditure				
Current:				
Instruction	1,068,660	294,648	-	1,363,308
Student Support Services	20,528	-	-	20,528
Instruction and Curriculum Development Services	2,453	-	-	2,453
Instructional Staff Training Services	23,144	-	-	23,144
School Board	34,425	-	-	34,425
General Administration	204,108	-	-	204,108
School Administration	567,638	-	-	567,638
Fiscal Services	87,458	-	-	87,458
Food Services	-	104,558	-	104,558
Operation of Plant	183,653	594	250,541	434,788
Student Transportation Services	36,941	-	-	36,941
Debt Service:				
Principal	333,977	-	-	333,977
Interest on Long-term Debt	9,959	-	-	9,959
Capital Outlay:				
Furniture, Fixtures & Equipment	57,271	-	-	57,271
Computer Software	270,382	-	-	270,382
Total Expenditure	2,900,597	399,800	250,541	3,550,938
Net Changes in Fund Balances (Deficit)	889,786	84,145	-	973,931
Fund Balance at Beginning of year	469,789	183,974	-	653,763
Fund Balance at End of year	\$ 1,359,575	\$ 268,119	\$ -	\$ 1,627,694

STELLAR LEADERSHIP ACADEMY, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Changes in Fund Balance - Total Governmental Funds **\$ 973,931**

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.

Cost of Capital Assets Purchased	327,653	
Provision for Depreciation	<u>(236,851)</u>	90,802

In the statement of activities, amortization of the right-to-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense.

Amortization Expense	(327,547)
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The proceeds from loans and captial leases provide current financial resources to governmental funds, but increases non-current liabilities in the statement of net assets. Repayment of advance principal is an expenditure in the governmental funds, but the repayment reduces non-current liabilities in the statement of net assets.

Principal Repayment of Lease Liability	333,977
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Change in Net Position of Governmental Activities	<u><u>\$ 1,071,163</u></u>
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STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Nature of Operations

Stellar Leadership Academy, Inc. (the “Academy”) operates as a Charter School pursuant to a Charter School Contract (“the Contract”) with the District School Board of Miami- Dade County, Florida (“the District”). Under the Contract, the Academy provides high school education to children who reside in Miami-Dade County. The governing body of the Academy is the Board of Directors, which is composed of three members.

The Academy is a non-profit organization and is tax exempt under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The general operating authority of the Academy is contained in Section 1002.33, Florida Statutes. The current charter is effective until June 30, 2025. The charter may be renewed as provided in Section 1002.33, Florida Statutes, upon mutual consent of the parties and execution of a written renewal. 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 which case the District is required to notify the Academy 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.

Criteria for determining if other entities are potential component units which should be reported within the Academy’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 Academy is financially accountable and other organizations for which the nature and significance of their relationship with the Academy are such that exclusion would cause the Academy’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Academy. The Academy is a component unit of the District.

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board (“GASB”).

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Government-wide and Fund Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the non-fiduciary activities of the Academy. The effects of interfund activities have been removed from the Govt.-wide financial statements. Both statements report only governmental activities as the Academy does not engage in any business-type activities.

Net position, the difference between assets and liabilities, as presented in the statement of net position, are subdivided into three categories: amounts invested in capital assets, restricted net position; and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations of other governments, or enabling legislation.

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function. Indirect expenses are costing the Academy has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

GASB Statement No.54, Fund Balance Reporting and Governmental Fund Type Definitions establishes the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

- Nonspendable fund balance - includes amounts that are not in a spendable form or are required to be maintained intact and that are not expected to be converted to cash. The nonspendable fund balance includes deposits totaling \$21,458 on June 30, 2024.
- Restricted fund balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers. There is no restricted fund balance as of June 30, 2024.
- Committed fund balance - includes amounts that can be used only for the specific purposes determined by a formal action of the Academy's highest level of decision- making authority. Commitments may be changed or lifted only by the Academy taking the same formal action that imposed the constraint originally. There is no committed fund balance on June 30, 2024.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Government-wide and Fund Financial Statements (Cont.)

- Assigned fund balance - comprises amounts intended to be used by the Academy for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. There is no assigned fund balance on June 30, 2024.
- Unassigned fund balance - the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund. The unassigned fund balance on June 30, 2024, is \$1,606,236.

Separate fund financial statements report detailed information about the Academy's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. All of the Academy's funds were deemed major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government - wide presentation.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days. 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 recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont.)

The Academy's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Academy reports the following major governmental funds:

General Fund- the general operating fund of the Academy. It is used to account for all financial resources not required to be accounted for in another fund.

Special Revenue Fund- to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This fund includes the TITLE I, ESSER, and Lunch Reimbursements from the National School lunch Program.

Capital Projects Fund- used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

The Academy has a revenue spending policy that provides policy for programs with multiple revenue sources. The board of directors will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-city funds, city funds and funds passed through the District. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The board of directors has the authority to deviate from this policy if it is in the best interest of the Academy.

Budgetary Basis of Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using 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, student support services and school administration). Revisions to the annual budget are approved by the Board.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Cash

Cash is made up of cash on hand at the Academy and/or checking and money market accounts held at one financial institution.

Capital Assets

Capital assets, which includes leased property, computers and equipment, are reported on government-wide financial statements. Capital assets are defined by the Academy as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. For the year ended June 30, 2024, the Academy recorded net capital assets of \$1,058,267.

Property, plant and equipment of the Academy is depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Estimated Useful Life</u>
Furniture, Fixtures, and equipment	5-7
Computers	3
Leased Property	4 (based on lease term)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Revenue Sources

Revenues for current operations are received primarily from the State of Florida passed through the District to the Academy pursuant to the funding provisions included in the Academy’s charter. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the Academy reports the number of full-time equivalent (FTE) students and related data to the district. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDE) for funding through the Florida Education Finance Program (FEFP). Funding for the Academy is adjusted during the year to reflect revised calculations by the FDE under the FEFP and actual weighted FTE students reported by the Academy during designated FTE student survey periods. The School Board receives an administrative fee from the school, which 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. This administrative fee is calculated on the FEFP revenue up to 250 students. The administrative fee charged by the School Board during the year ended June 30, 2024, was approximately \$97,000.

The Academy receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

qualifying expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures/expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Income Taxes

The Academy is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is recorded in the accompanying financial statements.

Fund balance spending policy

The Academy's adopted spending policy is to spend from restricted fund balance first, followed by committed, assigned, and then the unassigned fund balance. Most funds were designated for one purpose at the time of their creation. Therefore, expenditures made out of the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. If expenditures are incurred that meet the purpose of more than one fund, they will be allocated to restricted fund balance first and then follow the order above. Funds can only be committed by formal action of the Academy 's board of directors. There are no minimum fund balance requirements for any of the Academy 's funds.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 and so will not be recognized as an expense or expenditure until then. The Charter School has no items that meet this criterion.

In addition to liabilities, the statement of net 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 and so will not be recognized as revenue until then. The Charter School has no items that meet this criterion.

Interfund Activity

From time to time, the Academy may have interfund activity in the normal course of operations. This activity is eliminated in government wide financial statements when consolidated. The effects of interfund activities have been removed from the Govt.-wide financial statements.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 3- CONCENTRATIONS

Cash

Under Chapter 280, Florida Statutes, the Academy’s deposits must be placed in banks and savings and loans which are qualified as public depositories. The Academy maintains cash deposits at a bank in Florida. Deposits at the bank are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. Funds deposited in amounts exceeding the insurance coverage are secured by the banks pledging securities with the State Treasurer and a collateral pool. As of June 30, 2024, bank balances potentially exceeding FDIC coverage were approximately \$ 697,165.

Accounts Receivable

Accounts receivable represent outstanding reimbursements from the following programs below. As of June 30, 2024, the receivable balance is \$ 845,373.

Description	Amount
Capital Outlay	\$ 22,608
ERC	81,421
ESSER	46,419
Lunch	21,770
Title IV	5,333
Referendum Settlement	667,822
Total	\$ 845,373

NOTE 4 – CAPITAL ASSETS AND RIGHT-TO-USE ASSETS

Capital and right-to-use assets activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets				
Computer Software	\$ 302,538	\$ 270,382	\$ -	\$ 572,920
Furniture, Fixtures and Equipment	1,201,375	57,271	-	1,258,646
Total Capital Assets	1,503,913	327,653	-	1,831,566
Accumulated Depreciation	(863,993)	(236,851)	-	(1,100,844)
Governmental Activities Capital Assets, Net	\$ 639,920	\$ 90,802	\$ -	\$ 730,722
Right-to-use Assets				
Right-to-use lease asset	1,310,186	-	-	1,310,186
Accumulated Amortization	(655,094)	(327,547)	-	(982,641)
Right-to-use Assets, Net	655,092	(327,547)	-	327,545
Total Capital and Right-to-use Assets, Net	\$1,295,012	\$ (236,745)	\$ -	\$1,058,267

Depreciation and amortization expense for the year ended June 30, 2024, was \$ 564,398.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 – LONG TERM LIABILITIES

On July 1, 2021, the School implemented GASB Statement No. 87 Leases, and as a result recorded a lease right of use asset and liability in these financial statements for the facility lease. Under this guidance, a lessee should recognize a lease liability and a leased asset at the commencement of the lease term, unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The leased asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

On July 1, 2021, The Academy entered into a lease with an organization for its administrative and classroom space under a non-cancelable operating lease. The lease expires June 30, 2025. Rental expenses under operating leases for the year ended June 30, 2024, were approximately \$ 333,977. The interest expense was \$9,959 and the amortization of the right to use asset was \$327,547 for the year ended June 30, 2024. The changes in long term liabilities are presented below, followed by the future payments for lease liabilities:

Description	Balance July 1, 2023	Increase	Decrease	Balance June 30, 2024
Lease Liability	\$ 672,889	\$ -	\$ 333,977	\$ 338,912
Total	\$ 672,889	\$ -	\$ 333,977	\$ 338,912

Year Ending June 30,	Principal	Interest	Total
2025	\$ 338,912	\$ 5,016	\$ 343,928
Total	\$ 338,912	\$ 5,016	\$ 343,928

On July 1, 2021, The Academy entered into a sublease agreement with a Lessee on a month-to-month basis. The Academy Leases a few classrooms which are explained in the lease agreement. The payment is due at the first of each month for \$4,011.

NOTE 6 – MANAGEMENT AGREEMENT

The Charter school has contracted with Tri- Star Leadership, Inc for administrative and educational management services for the operations of the school. All personnel are employees of the Charter School. The contract expires on June 30, 2024, and provides a base fee of \$8,908. The fees paid to the management company for the year ended June 30, 2024, amounted to \$106,902.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 - RISK MANAGEMENT

The Academy is exposed to various risks of loss related to theft, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Academy purchases commercial insurance for all material risks of loss to which the Academy is exposed, including general liability, property and workers' compensation.

NOTE 8- REFERENDUM SETTLEMENT AGREEMENT

In 2018 the voters of Miami-Dade County approved a referendum allowing the School Board of Miami-Dade County to levy an ad valorem tax of levy 0.75 mills annually for fiscal years July 1, 2019, through June 30, 2023, to (1) improve compensation for high quality teachers and instructional personnel, and (2) increase school safety and security personnel, with oversight by a Citizen Advisory Committee (the "2018 Referendum"). The School District previously levied and distributed all revenue generated pursuant to the 2018 Referendum to non-charter public schools for the 2019-2020; 2020-2021; 2021-2022 school years.

On February 21, 2024, the Charter School sent a demand letter for Payment of Proportional Share of 2018 Referendum Revenues Due to Public Charter School Students to the School Board of Miami-Dade County. The School Board acknowledged the existence of the potential claims by the Charter School and agreed to make payment directly to the Charter School based upon unweighted student funding.

As per the terms of Agreement, the School Board will make two payments to the Charter School. The first payment will be completed on or before July 10, 2024, which will include one-half of the total principal, and interest due as of June 30, 2024, with interest calculated at 5% compounded semi-annually, from the initial due date of July 1, 2019, then due and owed to the Charter School. The second payment will be completed on or before July 10, 2025, which will include the remaining principal and interest then due and owed to the Charter School following the first payment, interest calculated at 5% compounded semi-annually. During the year, the Charter School recognized an amount of \$ 667,822 as revenue from the School Board of Miami-Dade County in relation to the referendum settlement.

NOTE 9 – SUBSEQUENT EVENTS

For the year ended June 30, 2024, the Academy has evaluated all subsequent events through September 10, 2024, which is the date the financial statements were available to be issued, and concluded no additional subsequent events have occurred that would require recognition or disclosure in these financial statements that have not already been accounted for.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10 – EMPLOYEE RETENTION CREDIT

The Employee Retention Credit (ERC) is a federal tax credit introduced under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and subsequently extended by the Consolidated Appropriations Act, 2021 and the American Rescue Plan Act. The credit is designed to provide financial assistance to eligible employers that have been adversely affected by the COVID-19 pandemic and have retained their employees.

The Charter School has maintained appropriate documentation, including payroll records, employment tax returns, and other relevant documents as required by the IRS. The school claimed a total Employee Retention Credit for \$ 81,421. This amount is reported as receivable as of as of June 30, 2024. Management believes this amount reflects the allowable credit for qualified wages and health plan expenses incurred during the eligible period as defined by the IRS.

REQUIRED SUPPLEMENTARY INFORMATION

STELLAR LEADERSHIP ACADEMY, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024
(UNAUDITED)

GENERAL FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variances Positive (Negative)</u>
Revenue				
School Board of Miami- Dade County - FTE	\$ 2,309,573	\$ 2,309,573	\$ 2,587,354	\$ 277,781
Miscellaneous Revenues	368,132	368,132	1,203,029	834,897
Total Revenue	<u>2,677,705</u>	<u>2,677,705</u>	<u>3,790,383</u>	<u>1,112,678</u>
Expenditure				
Current:				
Instruction	1,129,874	1,129,874	1,068,660	61,214
Student Support Services	62,500	62,500	20,528	41,972
Instruction and Curriculum Development Services	-	-	2,453	(2,453)
Instructional Staff Training Services	-	-	23,144	(23,144)
School Board	56,000	56,000	34,425	21,575
General Administration	201,868	201,868	204,108	(2,240)
School Administration	460,927	460,927	567,638	(106,711)
Fiscal Services	85,000	85,000	87,458	(2,458)
Food Services	-	-	-	-
Operation of Plant	617,926	617,926	183,653	434,273
Maintenance of Plant	25,000	25,000	-	25,000
Student Transportation Services	37,000	37,000	36,941	59
Debt Service:				
Principal	-	-	333,977	(333,977)
Interest on Long-term Debt	-	-	9,959	(9,959)
Capital Outlay:				
Furniture, Fixtures & Equipment	-	-	57,271	(57,271)
Computer Software	-	-	270,382	(270,382)
Total Expenditure	<u>2,676,095</u>	<u>2,676,095</u>	<u>2,900,597</u>	<u>(224,502)</u>
Net Changes in Fund Balances	<u>\$ 1,610</u>	<u>\$ 1,610</u>	<u>\$ 889,786</u>	<u>\$ 888,176</u>

STELLAR LEADERSHIP ACADEMY, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024
(UNAUDITED)

SPECIAL REVENUE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variances Positive (Negative)</u>
Revenue				
Operating Grants and Contributions	\$ 620,165	\$ 620,165	\$ 483,945	\$ (136,220)
Total Revenue	<u>620,165</u>	<u>620,165</u>	<u>483,945</u>	<u>(136,220)</u>
Expenditure				
Instruction	-	-	294,648	(294,648)
Food Services	130,000	130,000	104,558	25,442
Operation of Plant	-	-	594	(594)
Total Expenditure	<u>130,000</u>	<u>130,000</u>	<u>399,800</u>	<u>(269,800)</u>
Excess/(Deficit) of Revenue over Expenditure	<u>\$ 490,165</u>	<u>\$ 490,165</u>	<u>\$ 84,145</u>	<u>\$ (406,020)</u>

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024
(UNAUDITED)

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, purchased services, and capital outlay).

NOTE A

The Charter School formally adopted a budget for the year ending June 30, 2024. Budgeted amounts may be amended by resolution or ordinance by the Board. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. A comparison of the actual results of operations to the budgeted amounts for the General Fund and Special Revenue Fund are presented as supplementary information.

NOTE B

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

OTHER REQUIRED REPORTS



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Stellar Leadership Academy, Inc.
Miami, 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 of Stellar Leadership Academy, Inc. (the "Academy"), a component unit of the Miami-Dade County District School Board, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Stellar Leadership Academy, Inc.'s basic financial statements, and have issued our report thereon dated September 10, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy'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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free of 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.

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



Thomas & Company CPA PA
Cooper City, Florida
September 10, 2024



**MANAGEMENT LETTER
REQUIRED BY CHAPTER 10.850 RULES OF THE AUDITOR GENERAL OF
THE STATE OF FLORIDA**

To the Board of Directors
Stellar Leadership Academy, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Stellar Leadership Academy, Inc. (the “Academy”), as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 10, 2024.

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 Reports and Schedules

We have issued our Independent Auditors’ 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 that report and schedule, which is dated September 10, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

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 Stellar Leadership Academy, Inc.- 7015.

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 conditions 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 us to apply appropriate procedures and communicate the results of our determination as to whether the school maintains on its website information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the school maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, waste, 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 Miami-Dade School Board and is not intended to be and should not be used by anyone other than these specified parties.



Thomas & Company CPA PA
Cooper City, Florida
September 10, 2024