



Sports Leadership and Management
(SLAM) Charter Middle School
W/L# 6015
(A charter school under
Sports Leadership and Management, Inc.)
Financial Statements and
Independent Auditors' Report
June 30, 2021

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Sports Leadership and Management (SLAM) Charter Middle School
(A charter school under Sports Leadership and Management, Inc.)
W/L# 6015

604 NW 12th Avenue
Miami, FL 33135

2020-2021

Board of Directors

Rene Ruiz, Board Chair/ President
Joseph Anthony Mesa, III, Vice Chair, Vice President
Alina Lopez, Secretary, Director
Chris Crousillat, Director
Alex Tamargo, Director

School Administration

Rey Breto, Principal



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Sports Leadership and Management (SLAM) Charter Middle School
Miami, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sports Leadership and Management (SLAM) Charter Middle School (the "School"), a charter school under Sports Leadership and Management, Inc. as of, and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprises the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Sports Leadership and Management (SLAM) Charter Middle School as of June 30, 2021, 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.

Other Matters

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Sports Leadership and Management (SLAM) Charter Middle School as of June 30, 2021, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of Sports Leadership and Management, Inc. These financial statements do not purport to and do not present fairly the financial position of Sports Leadership and Management, Inc. as of June 30, 2021 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 through 7 and 29 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2021 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School’s internal control over financial reporting and compliance.



Coral Gables, Florida
September 14, 2021

CERTIFIED PUBLIC ACCOUNTANTS

Management's Discussion and Analysis
Sports Leadership and Management (SLAM) Charter Middle School
(A Charter School Under Sports Leadership and Management, Inc.)
June 30, 2021

The corporate officers of Sports Leadership and Management, Inc. have prepared this narrative overview and analysis of Sports Leadership and Management (SLAM) Charter Middle School's financial activities for the fiscal year ended June 30, 2021.

Financial Highlights

1. The net position of the School at June 30, 2021 was \$246,315.
2. At year-end, the School had current assets on hand of \$1,666,172.
3. The School had an increase in net position of \$98,387 for the year ended June 30, 2021.
4. The School had an unassigned fund balance of \$457,434 at year end.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2021 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference is reported as net position. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 8-9 of this report.

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 10-13 of this report.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 14-26 of this report.

School Location and Lease of Facility

The School leases a facility located at 602-630 NW 12th Avenue, and 542 NW 12th Ave Miami, Miami, Florida.

Capital Improvement Requirements

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$246,315 at the close of the fiscal year. A summary of the School's net position as of June 30, 2021 and 2020 is as follows:

	2021	2020
Cash	\$ 480,776	\$ 30,101
Investments	-	240,000
Prepaid expenses and other assets	147,642	117,274
Due from other agencies	607,496	84,204
Due from other charter school under SLAM, Inc.	630,258	904,270
Capital assets, net	402,440	628,532
Total Assets	2,268,612	2,004,381
Deferred outflows of resources	-	-
Accounts payable	276,948	188,283
Salaries and wages payable	295,970	456,145
Due to SLAM Inc. and SLAM Foundation, Inc.	337,970	-
Note payable to financial institution	111,409	212,025
Due to Mater Academy Inc.	1,000,000	1,000,000
Total Liabilities	2,022,297	1,856,453
Deferred inflows of resources	-	-
Net Position:		
Net investment in capital assets and long term receivables	491,031	416,507
Unrestricted	(244,716)	(268,579)
Total Net Position	\$ 246,315	\$ 147,928

At the end of 2021 and 2020, the School is able to report a positive balance in its net position.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
REVENUES		
Program Revenues		
Operating Grants and Contributions	\$ 1,288,563	\$ 713,693
Capital Grants and Contributions	841,330	782,890
Charges for Services and Other Revenues	4,047	-
General Revenues		
Local Sources (FTE and other non specific)	6,151,428	5,904,416
Other Revenues	<u>3,251</u>	<u>710,693</u>
Total Revenues	\$ 8,288,619	\$ 8,111,692
EXPENSES		
Governmental Activities:		
Instruction	\$ 4,188,283	\$ 3,886,082
Student support services	29,189	4,974
Instructional staff training	-	3,556
Board	46,170	45,794
School administration	841,560	907,715
Fiscal services	137,700	134,775
Food services	209,895	298,485
Central services	179,269	183,768
Operation of plant	2,202,007	2,339,053
Maintenance of plant	266,522	229,805
Administrative technology services	32,269	32,868
Debt service	<u>57,368</u>	<u>11,777</u>
Total Expenses	8,190,232	8,078,652
Change in Net Position	98,387	33,040
Net Position at Beginning of Year	<u>147,928</u>	<u>114,888</u>
Net Position at End of Year	<u>\$ 246,315</u>	<u>\$ 147,928</u>

The School's revenue and expenditures increased by \$176,927 and \$111,580, respectively as a result of an increase in student enrollment. The School had an increase in its net position of \$98,387.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School’s governmental general fund reported an ending fund balance of \$605,076. The School reported an unassigned fund balance of \$457,434.

Capital Assets

The School’s investment in capital assets as of June 30, 2021 amounts to \$402,440 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and equipment. The School has outstanding debt of \$111,409 associated to capital assets and working capital.

Governmental Fund Budget Analysis and Highlights

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 for the governmental funds to demonstrate compliance with the School’s budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
State capital outlay funding	\$ 549,575	\$ 841,400	\$ 841,330
Federal sources	1,227,135	800,000	800,385
General Revenues			
FTE nonspecific revenues	6,021,421	6,086,588	6,151,428
Charges and other revenues	4,000	4,841	7,298
Total Revenues	7,802,131	7,732,829	7,800,441
CURRENT EXPENDITURES			
Governmental Activities			
Instruction	3,657,961	3,990,064	3,977,286
Student support services	31,000	30,000	29,189
Board	54,206	46,325	46,170
School administration	863,919	848,148	838,446
Fiscal services	146,825	138,300	137,700
Food services	275,700	210,721	209,895
Central services	180,825	179,300	179,269
Operation of plant	1,981,814	2,208,871	2,166,587
Maintenance of plant	271,700	273,548	266,522
Administrative technology services	34,671	34,395	32,269
Total Current Expenditures	\$ 7,498,621	\$ 7,959,672	\$ 7,883,333

Most variances occurred as a result of the Budget adopted being more conservative than actual results for the year.

Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Ms. Ana Martinez at Academica Dade, LLC, 6340 Sunset Drive, Miami, Florida 33143.

Sports Leadership and Management (SLAM) Charter Middle School
(A charter school under Sports Leadership and Management, Inc.)

Statement of Net Position
June 30, 2021

	Primary Government Governmental Activities
<u>Assets</u>	
Current assets:	
Cash	\$ 480,776
Due from SLAM High School	430,258
Prepaid expenses and other assets	147,642
Due from other agencies	607,496
	1,666,172
Due from other charter schools under SLAM, Inc.	200,000
Capital assets	1,823,923
Less: accumulated depreciation	(1,421,483)
	402,440
Total Assets	2,268,612
<u>Deferred Outflows of Resources</u>	-
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	276,948
Current portion of long-term debt	90,494
Salaries and wages payable	295,970
	663,412
Note payable to financial institution	20,915
Due to SLAM, Inc.	229,970
Due to SLAM Foundation, Inc.	108,000
Due to Mater Academy Inc.	1,000,000
Total Liabilities	2,022,297
<u>Deferred Inflows of Resources</u>	-
<u>Net Position</u>	
Net investment in capital assets and long term receivables	491,031
Unrestricted	(244,716)
Total Net Position	\$ 246,315

Sports Leadership and Management (SLAM) Charter Middle School
(A charter school under Sports Leadership and Management, Inc.)

Statement of Activities
For the year ended June 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
Instruction	\$ 4,188,283	\$ -	\$ 951,007	\$ -	\$ (3,237,276)
Student support services	29,189	-	-	-	(29,189)
Board	46,170	-	-	-	(46,170)
School administration	841,560	-	-	-	(841,560)
Fiscal services	137,700	-	-	-	(137,700)
Food services	209,895	4,047	242,556	-	36,708
Central services	179,269	-	-	-	(179,269)
Operation of plant	2,202,007	-	36,000	841,330	(1,324,677)
Maintenance of plant	266,522	-	59,000	-	(207,522)
Administrative technology services	32,269	-	-	-	(32,269)
Debt service	57,368	-	-	-	(57,368)
Total governmental activities	8,190,232	4,047	1,288,563	841,330	(6,056,292)
General revenues:					
FTE and other nonspecific revenues					6,151,428
Interest and other revenue					3,251
Change in net position					98,387
Net position , beginning					147,928
Net position, ending					<u>\$ 246,315</u>

Sports Leadership and Management (SLAM) Charter Middle School
(A charter school under Sports Leadership and Management, Inc.)

Balance Sheet - Governmental Funds
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 480,776	\$ -	\$ -	\$ -	\$ 480,776
Due from SLAM High School	430,258	-	-	-	430,258
Due from other agencies	31,014	40,625	47,679	-	119,318
Due from fund	88,304	-	-	-	88,304
Prepaid expenses and other assets	147,642	-	-	-	147,642
Total Assets	<u>1,177,994</u>	<u>40,625</u>	<u>47,679</u>	<u>-</u>	<u>1,266,298</u>
<u>Deferred Outflows of Resources</u>					
	-	-	-	-	-
<u>Liabilities</u>					
Accounts payable	276,948	-	-	-	276,948
Due to other charter schools under SLAM, Inc.	-	-	-	-	-
Salaries and wages payable	295,970	-	-	-	295,970
Due to fund	-	40,625	47,679	-	88,304
Total Liabilities	<u>572,918</u>	<u>40,625</u>	<u>47,679</u>	<u>-</u>	<u>661,222</u>
<u>Deferred Inflows of Resources</u>					
	-	-	-	-	-
<u>Fund balance</u>					
Nonspendable, not in spendable form	147,642	-	-	-	147,642
Unassigned	457,434	-	-	-	457,434
	<u>605,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605,076</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,177,994</u>	<u>\$ 40,625</u>	<u>\$ 47,679</u>	<u>\$ -</u>	<u>\$ 1,266,298</u>

Sports Leadership and Management (SLAM) Charter Middle School
(A charter school under Sports Leadership and Management, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2021

Total Fund Balance - Governmental Funds \$ 605,076

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

Capital assets of \$1,823,923 net of accumulated depreciation of \$1,421,483 used in governmental activities are not financial resources and therefore are not reported in the fund. 402,440

Long term receivables from other charter schools in governmental activities are not financial resources and therefore are not reported in the governmental funds. 200,000

Receivables in governmental activities that are not collected within 60 days are not current financial resources and therefore are not reported in the governmental funds. 488,178

Long term liabilities were not due and payable in the current period and, therefore, are not reported in the funds. (1,449,379)

Total Net Position - Governmental Activities \$ 246,315

Sports Leadership and Management (SLAM) Charter Middle School
(A charter school under Sports Leadership and Management, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
State capital outlay funding	\$ -	\$ -	\$841,330	\$ -	\$ 841,330
State passed through local	6,151,428	-	-	-	6,151,428
Federal sources	-	800,385	-	-	800,385
Charges and other revenue	3,251	4,047	-	-	7,298
Total Revenues	6,154,679	804,432	841,330	-	7,800,441
Expenditures:					
Current					
Instruction	3,026,279	951,007	-	-	3,977,286
Student support services	29,189	-	-	-	29,189
Board	46,170	-	-	-	46,170
School administration	838,446	-	-	-	838,446
Fiscal services	137,700	-	-	-	137,700
Food services	-	209,895	-	-	209,895
Central services	179,269	-	-	-	179,269
Operation of plant	1,289,257	36,000	841,330	-	2,166,587
Maintenance of plant	207,522	59,000	-	-	266,522
Administrative technology services	32,269	-	-	-	32,269
Capital Outlay:					
Other capital outlay	23,439	-	-	-	23,439
Debt Service:					
Repayment of principal on notes payable	-	-	-	100,616	100,616
Interest	-	-	-	7,368	7,368
Total Expenditures	5,809,540	1,255,902	841,330	107,984	8,014,756
Excess (deficit) of revenues over expenditures	345,139	(451,470)	-	(107,984)	(214,315)
Other financing sources (uses)					
Transfers in (out)	(559,454)	451,470	-	107,984	-
Recoverable grant repayment	(50,000)	-	-	-	(50,000)
Net changes in long term payables	337,970	-	-	-	337,970
Net change in fund balance	73,655	-	-	-	73,655
Fund Balance at beginning of year	531,421	-	-	-	531,421
Fund Balance at end of year	\$ 605,076	\$ -	\$ -	\$ -	\$ 605,076

Sports Leadership and Management (SLAM) Charter Middle School
(A charter school under Sports Leadership and Management, Inc.)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the year ended June 30, 2021

Net Change in Fund Balance - Governmental Funds \$ 73,655

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 activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$23,439 exceeded depreciation expense of \$249,531. (226,092)

Revenues are recognized using the full accrual basis of accounting in the government-wide statements. However, revenues are recognized when they are measurable and available in the governmental funds. These revenues did not meet the recognition criteria during the current year and, therefore, were not reported in the governmental funds. 488,178

The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which decreases of \$100,616 exceeded increases of \$337,970. (237,354)

Change in Net Position of Governmental Activities \$ 98,387

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Sports Leadership and Management (SLAM) Charter Middle School (the "School"), is a charter school sponsored by School Board of Miami-Dade County, Florida (the "District"). The School's charter is held by Sports Leadership and Management, Inc. ("SLAM Inc."), a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of Sports Leadership and Management, Inc., which is composed of five members and also governs other charter schools. The board of directors has determined that no component unit exists that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Miami-Dade County, Florida. The current charter expires on June 30, 2023 and can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Miami, Florida for students from sixth through eighth grade. These financial statements are for the year ended June 30, 2021, when on average 902 students were enrolled for the school year.

Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net positions and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, such as food service and student activity fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues, and other miscellaneous sources.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds with all other non-major funds aggregated in a single column:

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

Special Revenue Fund – accounts for specific revenues, such as federal funding, federal lunch program, and COVID-19 emergency relief funding that are legally restricted to expenditures for particular purposes.

Capital Projects Fund - accounts for resources restricted for the acquisition or construction of specific capital assets from bond proceeds and for state and local capital outlay funding that are legally restricted to expenditures for particular purposes.

Measurement Focus and Basis of Accounting

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

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year.

Note 1 – Summary of Significant Accounting Policies (continued)

Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary 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, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Cash and Investments

Cash is considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/savings accounts.

The School has not adopted a formal deposit and investment policy that limits the School's allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund. The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, *Fair Value Measurement and Application*, and other related standards which establish accounting and financial reporting standards for all investments (see Note 2). Money market investment that have maturities of one year or less from the date of acquisition are reported at amortized cost rather than fair value. Amortized cost closely approximates fair value.

Inter-fund Transfers

Inter-fund receivables/payables ("due from/to") are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Note 1 – Summary of Significant Accounting Policies (continued)

Due from Other Governments or Agencies

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

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	5 Years
Computer equipment and software	3-5 Years
Improvements	5 Years

Compensated Absences

The School grants a specific number of sick days. Full time instructional employees are eligible to one day per month to up to ten days of active work during the ten-month period (a "benefit year"). In the event that available time is not used by the end of the benefit year, employees may "rollover" all unused days for use in future benefit years. Employees may "cash out" unused sick days however, the employees may only cash out if they have used three days or less of their sick leave in that benefit year. Employees may not cash out more than ten days per school year and are required to maintain a minimum of twenty-one unused days in order to cash out. The cash out value is eighty percent of their current daily rate. There is no termination payment for accumulated unused sick days.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated absences available to be used in future benefits years. The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Note 1 – Summary of Significant Accounting Policies (continued)

Revenue Sources

Revenues for current operations are received primarily from the state through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP.

Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement ad valorem tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Net Position and Fund Balance Classification

Government-wide financial statements

Equity is classified as net position and displayed in three components:

- a) Net investment in capital assets and long term receivables - consists of capital assets net of accumulated depreciation and long term receivables, reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Restricted net position - consists of balances with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- c) Unrestricted net position - all other balances that do not meet the definition of "restricted" or "net investment in capital assets and long term receivables"

Note 1 – Summary of Significant Accounting Policies (continued)

When both restricted and unrestricted resources are available for a specific purpose, it is the District's policy to use restricted resources first, until exhausted, before using unrestricted resources.

Fund financial statements

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

- a) Nonspendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories and prepaid expenses.
- b) Restricted – this classification includes fund balance category amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. There are no restricted fund balances at year end.
- c) 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 Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification that is 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. There are no assigned fund balances at year end.
- e) Unassigned – portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Prepaid Expenses and Other Assets

Other assets consist mainly of prepaid expenses which as payments for goods or services that have not been consumed or used at year end. The expenditure will be recorded when the assets is used. Accordingly, prepaid expenses are equally offset by a nonspendable fund balance classification.

Income Taxes

Sports Leadership and Management, Inc. qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3) and is therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Note 1 – Summary of Significant Accounting Policies (continued)

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 14, 2021, which is the date the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Note 2 – Cash and Investments

Deposits

The School maintains its cash in two financial institutions. Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Sports Leadership and Management, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Sports Leadership and Management, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2021, bank balances in potential excess of FDIC coverage was approximately \$785.

Investments

The School follows the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets; Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

At June 30, 2021, the School had no balances invested in a governmental money market mutual fund that is exempt from GASB 72 fair value hierarchy disclosures. The governmental money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of June 30, 2021, maturities of the fund's portfolio holdings are approximately 79% within 30 days.

Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. The School manages its exposure to credit risk by limiting investments to highly rated government money market mutual funds. The fund is rated Aaa-mf by Moody's.

Note 2 – Cash and Investments (continued)

Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2021, all of the School’s investments in government money market mutual funds were held in a separate account and designated as assets of the School.

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to government money market mutual funds that can be redeemed daily.

Note 3 –Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2021:

	Balance 07/01/20	Additions	Retirements/ Reclassification	Balance 06/30/21
Capital assets, depreciable:				
Buildings and improvements	\$ 802,567	\$ -	\$ -	\$ 802,567
Computer equipment and software	300,451	5,472	(72,067)	233,856
Furniture, equipment and textbooks	815,219	17,967	(45,686)	787,500
Total Capital Assets	<u>1,918,237</u>	<u>23,439</u>	<u>(117,753)</u>	<u>1,823,923</u>
Less Accumulated Depreciation:				
Buildings and improvements	(697,696)	(39,774)	-	(737,470)
Computer equipment and software	(147,858)	(48,742)	28,942	(167,658)
Furniture, equipment and textbooks	(444,151)	(161,015)	88,811	(516,355)
Total Accumulated Depreciation	<u>(1,289,705)</u>	<u>(249,531)</u>	<u>117,753</u>	<u>(1,421,483)</u>
Capital Assets, net	<u>\$ 628,532</u>	<u>\$ (226,092)</u>	<u>\$ -</u>	<u>\$ 402,440</u>

For the fiscal year ended June 30, 2021, depreciation expense is allocated in the Statement of Activities by function as follows:

Instruction	\$	210,997
School administration		3,114
Operation of plant		35,420
Total Depreciation Expense	<u>\$</u>	<u>249,531</u>

Note 4 –Education Service Support Provider

Academica Dade, LLC, an education service and support provider, provides administrative services to the School including, but not limited to facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting and virtual education services. The agreement calls for a fee on a per student basis.

The agreement is with Sports Leadership and Management, Inc. through June 30, 2022, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2021, the School incurred \$413,100 in fees of which, approximately \$8,000 is included in accounts payable.

Note 5 –Transactions with Affiliates

Sports Leadership and Management, Inc. and Mater Academy, Inc. share common board members. SLAM Foundation, Inc. is a not-for-profit supporting organization of Sports Leadership and Management, Inc. under Section 509(a)(3) of the Internal Revenue Code.

Mater Academy, Inc. made non-interest bearing advances to the School. The following schedule provides a summary of changes in long-term payables for the year ended June 30, 2021.

	Balance 07/01/20	Increases	Decreases	Balance 06/30/21
Mater Academy, Inc. - Corporate account	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
SLAM Foundation, Inc.	-	108,000	-	108,000
SLAM , Inc.	-	229,970	-	229,970
Total Long Term Payables	<u>\$ 1,000,000</u>	<u>\$ 337,970</u>	<u>\$ -</u>	<u>\$ 1,337,970</u>

Recoverable Grant

The School received a recoverable grant from the Mater Academy Inc. totaling \$90,000 in 2015 with repayment contingent on the school subsequently meeting certain financial conditions. To date, management has determined that the school has not met the requirements for repayment under the grant terms. As of June 30, 2021, the maximum amount the School may be required to pay in the future should the school meet the requirements for repayment is \$90,000.

The School received recoverable grants from SLAM Inc. of \$680,000 and from SLAM Foundation, Inc. of \$800,000, respectively in prior periods with repayment contingent on the School subsequently meeting certain financial conditions. As of June 30, 2021 Management determined that the School met the requirements for partial repayment under the grant terms and as a result a repayment of \$50,000 to SLAM, Inc. was included as an expense and long term payable in the current year. As of June 30, 2021, the maximum amount the School may be required to pay in the future should the school meet the requirements for repayment is \$1,430,000.

Note 6 – Transactions with other divisions of Sports Leadership and Management, Inc.

For 2021, the School’s facility was shared with Sports Leadership Arts Management Charter High School f/k/a Sports Leadership and Management Academy, another charter school under SLAM, Inc. Management allocates a proportionate share of leases, salaries, lunch receipts, food and supplies, and other expenses to each school individually based on student enrollment and usage of facilities and staff to these schools and other schools operated by Sports Leadership and Management, Inc. In addition, the student activities account on the school is recorded in Sport Leadership Arts Management Charter High School’s books. As a result of these allocations, the School has approximately \$430,000 due from Sports Leadership Arts Management Charter High School as of June 30, 2021.

Sports Leadership and Management Academy, Inc. received funds for the Federal lunch program for all the schools in this campus, as listed above. Revenues and expenses related to such program have been allocated to each school based on FTE equivalent for purposes of presentation in the financial statements.

The School made certain long term, non-interest-bearing advances to Sports Leadership Arts Management Charter High School. The following represents the changes in long-term payables during the year:

	Balance 07/01/20	Increases	Decreases	Balance 06/30/21
Sports Leadership Arts Management Charter High School	\$ 200,000	\$ -	\$ -	\$ 200,000
Total Long Term Receivables	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>

Sports Leadership and Management, Inc., charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. Fees charged to the School during the year was \$135,300.

Note 7 – Commitments, Contingencies and Concentrations

On June 20, 2012 (building 1) and July 1, 2017 (building 2), Sports Leadership and Management, Inc. (the subtenant) entered into two space sublease agreements with Mater Academy Inc., as sublandlord. Mater Academy, Inc. is the subtenant under the superior sublease agreements with Mater Academy Foundation, Inc. Mater Academy Foundation, Inc. is the tenant under both master lease agreements with Miami Sports Property, LLC (the “Landlord”). The Landlord is an affiliate of the School's education service support provider (See Note 4). The charter schools’ facilities are located at 602-630 NW 12th Avenue, Miami, Florida (building 1) and 542 NW 12th Ave, Miami, FL (building 2).

The term of these sublease agreements continues through July 31, 2033 and June 29, 2037, respectively with an option to renew for an additional five-year term.

Note 7 – Commitments, Contingencies and Concentrations (continued)

Effective August 1, 2017, the sublease agreement for Building 1 was amended to reflect an annual fixed payment of \$1,319,579 to be adjusted annually based on the Consumer Price Index (CPI). The sublease agreement for Building 2 was also amended effective August 1, 2017 to reflect an annual fixed rent of \$1,823,094 to be adjusted annually based on the Consumer Price Index (CPI). The amendment for Building 2 also included enrollment discounts through June 30, 2020.

The amended structure of the lease agreements were established to allow the subtenant to lease the entire premises of both buildings, as opposed to part each building as originally contemplated, and to lease those premises on a per square foot basis. It also assists with the initial years of growth in the program through enrollment period discounts for building 2. Payments for the sublease agreements are allocated between the schools based on enrollment and usage of facility. The allocation used for 2021, was approximately 52% for the School and 48% for Sports Leadership Arts Management Charter High School. For the year ended 2021, rent expense totaled \$1,650,393 which was net of enrollment discounts. Approximately \$134,000 is included in accounts payable at year end.

Future minimum payments under the sublease agreements (to be shared with Sports Leadership Arts Management Charter High School) are as follows:

<u>Year</u>	
2022	\$3,523,888
2023	\$3,523,888
2024	\$3,523,888
2025	\$3,523,888
2026	\$3,523,888
2027-2031	\$17,619,440 (total for five-year period)
2032-2036	\$13,116,417 (total for five-year period)
2037	\$2,022,881

Contingencies and Concentrations

The School receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations.

Additionally, the School receives various forms of federal, state and local funding which are subject to financial and compliance audits. It is the opinion of management that the amount of funding, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Sports Leadership and Management (SLAM) Charter Middle School
(A Charter School under Sports Leadership and Management, Inc.)
Notes to Financial Statements
June 30, 2021

Note 7 – Commitments, Contingencies and Concentrations (continued)

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 5% of the qualifying revenues of the School. For the year ended June 30, 2021, administrative fees withheld by the School District totaled \$86,188.

Note 8 – Long-term Debt

The School obtained equipment financing from a financial institution and issued two notes payable for a total loan balance of \$394,746 (\$321,922 in 2018 and \$72,824 in 2020). Facilities require 48 monthly principal and interest payments of \$7,351 and \$1,648 based on a fixed rate of 4.57% and 4.1% respectively. As of June 30, 2021, the balance was \$111,409. The following schedule provides a summary of changes in long-term debt for the year:

	Balance 07/01/20	Increases	Decreases	Balance 06/30/21
Notes payable to financial institution	212,025	\$ -	\$ (100,616)	111,409
Total Long Term Debt	<u>\$ 212,025</u>	<u>\$ -</u>	<u>\$ (100,616)</u>	<u>\$ 111,409</u>

Future minimum payments for the equipment loan are as follows:

Year	Principal	Interest
2022	\$ 90,494	\$ 2,788
2023	19,273	498
2024	1,642	6
Total	<u>\$ 111,409</u>	<u>\$ 3,292</u>

Note 9 – Interfund Transfers

Interfund transfers in governmental funds as of June 30, 2021 consist of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund Non- Major
To reimburse the General Fund for lunch expenses	\$ 36,708	\$ (36,708)	\$ -	\$ -
To fund debt service requirements	(107,984)	-	-	107,984
To fund ESSER federal expenditures for which revenues were not available	(316,590)	316,590	-	-
To fund CSP federal expenditures for which revenues were not available	(136,490)	136,490	-	-
To fund GEER federal expenditures for which revenues were not available	(35,098)	35,098	-	-
Total Transfers, net	<u>\$ (559,454)</u>	<u>\$ 451,470</u>	<u>\$ -</u>	<u>\$ 107,984</u>
Due to General Fund from Capital Projects Fund for Capital Outlay	\$ 47,679	\$ -	\$ (47,679)	\$ -
Due to General Fund from Special Revenue Fund for Title IV	40,625	(40,625)	-	-
Total Due from/(Due to) Funds	<u>\$ 88,304</u>	<u>\$ (40,625)</u>	<u>\$ (47,679)</u>	<u>\$ -</u>

Note 10 – Risk Management

The School is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; administrative errors and omissions; personal injury; workers compensation and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past years. In addition, there were no reductions in insurance coverage from those in the prior year.

The School has entered into a strategic relationship with ADP TotalSource Group, Inc., a human resource management firm, typically known as “Professional Employer Organization” (PEO). Under a co-employment agreements, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management. Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions.

Note 11 – Defined Contribution Retirement Plan

The School’s personnel, which are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the “Plan”), the School provides a match of 100% of the employee’s contribution up to 4% of the employee’s compensation. The School contributed to the Plan \$54,108 for the year ended June 30, 2021. The School does not exercise any control or fiduciary responsibility over the Plans’ assets, which are administered by Voya Financial.

REQUIRED SUPPLEMENTARY INFORMATION

Sports Leadership and Management (SLAM) Charter Middle School
(A charter school under Sports Leadership and Management, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2021

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 6,021,421	\$ 6,086,588	\$ 6,151,428
Charges and other revenue	-	841	3,251
Total Revenues	<u>6,021,421</u>	<u>6,087,429</u>	<u>6,154,679</u>
EXPENDITURES			
Current:			
Instruction	3,191,523	3,036,564	3,026,279
Student support services	31,000	30,000	29,189
Board	54,206	46,325	46,170
School administration	863,919	848,148	838,446
Fiscal services	146,825	138,300	137,700
Central services	180,825	179,300	179,269
Operation of plant	1,394,739	1,330,421	1,289,257
Maintenance of plant	211,200	213,748	207,522
Administrative technology services	34,671	34,395	32,269
Total Current Expenditures	<u>6,108,908</u>	<u>5,857,201</u>	<u>5,786,101</u>
Excess/(Deficit) of Revenues Over Current Expenditures	<u>(87,487)</u>	<u>230,228</u>	<u>368,578</u>
Capital Outlay	24,000	24,000	23,439
Total Expenditures	<u>6,132,908</u>	<u>5,881,201</u>	<u>5,809,540</u>
Excess/(Deficit) of Revenues Over Expenditures	(111,487)	206,228	345,139
Other financing sources (uses):			
Transfers in (out)	390,997	(457,071)	(559,454)
Recoverable grant repayment	-	(50,000)	(50,000)
Net changes in long term payables	<u>-</u>	<u>337,970</u>	<u>337,970</u>
Net change in fund balance	279,510	37,127	73,655
Fund Balance at beginning of year	<u>531,421</u>	<u>531,421</u>	<u>531,421</u>
Fund Balance at end of year	<u>\$ 810,931</u>	<u>\$ 568,548</u>	<u>\$ 605,076</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Sports Leadership and Management (SLAM) Charter Middle School
(A charter school under Sports Leadership and Management, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2021

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ 1,227,135	\$ 800,000	\$ 800,385
Charges for services	4,000	4,000	4,047
Total Revenues	1,231,135	804,000	804,432
EXPENDITURES			
Current:			
Instruction	466,438	953,500	951,007
Food services	275,700	210,721	209,895
Operation of plant	37,500	37,050	36,000
Maintenance of plant	60,500	59,800	59,000
Total Current Expenditures	840,138	1,261,071	1,255,902
Excess/(Deficit) of Revenues Over Current Expenditures	390,997	(457,071)	(451,470)
Capital Outlay			
Other Capital Outlay	-	-	-
Total capital outlay and debt service expenditures	-	-	-
Total Expenditures	840,138	1,261,071	1,255,902
Excess/(Deficit) of Revenues Over Expenditures	390,997	(457,071)	(451,470)
Other financing sources (uses)			
Transfers in (out)	(390,997)	457,071	451,470
Net change in fund balance	-	-	-
Fund Balance at beginning of year	-	-	-
Fund Balance at end of year	\$ -	\$ -	\$ -

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Sports Leadership and Management (SLAM) Charter Middle School
 (A charter school under Sports Leadership and Management, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the year ended June 30, 2021

	Capital Projects Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State capital outlay funding	\$ 549,575	\$ 841,400	\$ 841,330
Total Revenues	549,575	841,400	841,330
EXPENDITURES			
Current:			
Operation of plant	549,575	841,400	841,330
Total Current Expenditures	549,575	841,400	841,330
Excess of Revenues Over Current Expenditures	-	-	-
Capital Outlay			
Other Capital Outlay	-	-	-
Total capital outlay and debt service expenditures	-	-	-
Total Expenditures	549,575	841,400	841,330
Excess of Revenues Over Expenditures	-	-	-
Other financing sources (uses)			
Transfers in (out)	-	-	-
Net change in fund balance	-	-	-
Fund Balance at beginning of year	-	-	-
Fund Balance at end of year	\$ -	\$ -	\$ -

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



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*

Board of Directors of
Sports Leadership and Management (SLAM) Charter Middle School
Miami, Florida

We have audited, 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., the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sports Leadership and Management (SLAM) Charter Middle School (the "School"), as of, and for the year ended June 30, 2021, 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 14, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We issued a separate management letter dated September 14, 2021 pursuant to Chapter 10.850, Rules of the Auditor General.

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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 14, 2021



MANAGEMENT LETTER

Board of Directors of
Sports Leadership and Management (SLAM) Charter Middle School
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Sports Leadership and Management (SLAM) Charter Middle School, Miami, Florida as of and for the fiscal year ended June 30, 2021 and have issued our report thereon dated September 14, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' 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*. Disclosures in those reports and schedules, which are dated September 14, 2021, 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 recommendation made in the preceding audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires 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 is: Sports Leadership and Management (SLAM) Charter Middle School (W/L# 6015)

Financial Condition and Management

Section 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 Sports Leadership and Management (SLAM) Charter Middle 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 Sports Leadership and Management (SLAM) Charter Middle 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 Sports Leadership and Management (SLAM) Charter Middle School. It is management's responsibility to monitor Sports Leadership and Management (SLAM) Charter Middle 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 recommendation 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 Sports Leadership and Management (SLAM) Charter Middle 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 Sports Leadership and Management (SLAM) Charter Middle School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Other 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 Florida House of Representatives, the Florida Auditor General, School Board of Miami-Dade County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 14, 2021