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EAGLES' NEST MIDDLE CHARTER SCHOOL  
INDEPENDENT AUDITOR'S REPORT AND  
FINANCIAL STATEMENTS FOR THE YEAR  
ENDED JUNE 30, 2022

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MARK ESCOFFERY P.A.  
CERTIFIED PUBLIC ACCOUNTANT

EAGLES' NEST MIDDLE CHARTER SCHOOL

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# ***Mark Escoffery, P.A.***

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### **INDEPENDENT AUDITOR'S REPORT**

To the Board Members of Eagles' Nest Middle  
Charter School  
3698 NW 15<sup>th</sup> Street  
Lauderhill, Florida 33311

#### **Opinion**

I have audited the accompanying Financial Statements of the governmental activities, and each major fund, of Eagles' Nest Middle Charter School ("the School") (a nonprofit organization) a component unit of The School Board of Broward County as of and for the year ended June 30, 2022 which collectively comprise the School's basic financial statements as listed in the foregoing Table of Contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent of Eagles' Nest Middle Charter School and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Eagles' Nest Middle Charter School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- 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 Eagles' Nest Middle Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Eagles' Nest Middle Charter School's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

### **Report on Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information on pages 3 through 6 and 13 and 14 are presented to supplement the basic financial statements. Such information although not part of the basic financial statements, is required by the Governmental Accounting Standard 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. I 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 my inquiries, the basic financial statements, and other knowledge we obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.



Palm Beach Gardens, Florida  
September 15, 2022

**EAGLES' NEST MIDDLE CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

Our discussion and analysis of Eagles' Nest Middle Charter School ("the School") financial program provides an overview of the School's financial activities for the year ended June 30, 2022.

Because the information contained in this discussion is intended to highlight significant transactions, it should be read in conjunction with the School's financial statements, which begin on page 7.

For financial statement purposes the School is considered a component unit of The School Board of Broward County, which is a primary government entity for financial reporting. The School has included separate statements for the Governmental Fund Balance Sheet and the statement of Revenue, Expenditures and Changes in Fund Balance. The Statement of Net Position and the Statement of Activities reports provide information on the activities of the School. The Fund Financial Statements reflect financing activities of the School by providing information on inflows and outflows of spendable resources.

### **NON FINANCIAL HIGHLIGHTS**

The School's daily enrollment for fiscal year ended June 30, 2022 was 53 students. The School expects to have an enrollment of 50 students for the school year 2022-2023.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

#### ***Government-wide Financial Statements***

The government-wide financial statements are designed to provide readers with a broad overview of the School's financial position. Included in these statements are all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are recorded when earned or incurred.

*The Statement of Net Position* presents information on all of the School's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

*The Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

#### ***Fund Financial Statements***

A *Fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

**EAGLES' NEST MIDDLE CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Cont'd.)**

***Fund Financial Statements (Cont'd.)***

*Governmental Funds* – All of the School's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's governmental activities and the basic services it provides.

***Notes to the Financial Statements***

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 15-22 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. The School's assets exceeded liabilities by \$64,598 at June 30, 2022.

**NET ASSETS**

	<u><b>JUNE 30, 2022</b></u>	<u><b>JUNE 30, 2021</b></u>
Current and Other Assets	\$ 181,747	\$ 182,982
Capital Assets	6,213	8,585
Total Assets	<u>\$ 187,960</u>	<u>\$ 191,567</u>
Other Liabilities	\$ 115,602	\$ 9,315
Total Liabilities	<u>\$ 115,602</u>	<u>\$ 9,315</u>
Investment in Capital Assets	\$ 6,213	\$ 8,585
Restricted	49,607	-
Unrestricted	16,538	173,677
Total Net Position	<u>\$ 72,358</u>	<u>\$ 182,262</u>

Revenues from governmental activities totaled \$419,413 for the year ended June 30, 2022. The main source of revenue is from Florida Education Finance Program (FEFP). This revenue represented approximately 79.1% of total governmental revenue.

**EAGLES' NEST MIDDLE CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd.)**

<u>Revenue Source</u>	<u>6/30/22</u>	<u>% of Total 6/30/22</u>	<u>6/30/21</u>	<u>% of Total 6/30/21</u>
State Sources	\$ 384,825	90.4	\$ 400,578	66.3
Federal Sources	34,588	8.1	93,050	15.4
Local sources	6,235	1.5	110,661	18.3
<b>TOTAL</b>	<b>\$ 425,648</b>	<b>100.0</b>	<b>\$ 604,289</b>	<b>100.0</b>

Federal revenue sources are the ESSER II and TITLE 1 Grants.

Increases in levels of expenses for major functions of the School are shown in the following table:

<u>Expense</u>	<u>6/30/22</u>	<u>% of Total 6/30/22</u>	<u>6/30/21</u>	<u>% of Total 6/30/21</u>
Instruction	\$ 276\7,189	50.9	\$ 240,030	45.1
Instructional Support				
Services	55,756	10.2	59,036	11.1
Board Services	6,527	1.2	10,157	1.9
School Administration	40,781	7.6	29,021	5.4
General Administration	-	-	18,015	3.4
Fiscal Services	13,690	2.5	11,225	2.1
Food Services	-	-	15,839	3.0
Central Services	2,482	0.5	2,178	0.4
Pupil Transportation	55,480	10.2	47,093	8.8
Operation of Plant	89,158	16.4	97,774	18.3
Community Services	153	-	-	-
Depreciation	2,372	0.4	2,483	0.5
<b>TOTAL</b>	<b>\$ 543,588</b>	<b>100.0</b>	<b>\$ 532,851</b>	<b>100.0</b>

**BUDGETARY HIGHLIGHTS**

Program revenues were approximately \$97,000 less than budgeted due lower enrollment than budgeted.

School Expenditures were higher than budgeted by approximately \$9,000, primarily because of additional instructional services expenses related to the budgeted increase in enrollment.

Total fund balance of the General Fund was \$66,145 at June 30, 2022.

**EAGLES' NEST MIDDLE CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2022**

**CAPITAL ASSETS**

The School's investment in capital assets at June 30, 2022 was \$6,213 (net of depreciation). The investment includes leasehold improvements and furniture and equipment. The following is a summary of capital assets balances at June 30, 2022:

Furniture, Fixtures and Equipment	\$ 252,524
Less Accumulated Depreciation	<u>246,311</u>
	<u>\$ 6,213</u>

**PROSPECTS FOR THE FUTURE**

The School continues to receive funds from State sources in the form of Florida Education Finance Program Fees (FEFP). The fees are evaluated in October and February and are based on student enrollment.

- The Administration believes that the School will achieve a higher rating from the Department of Education.
- The Administration believes that the School will continue to be successful and contribute to the educational requirements of Broward County.

**REQUESTS FOR INFORMATION**

The Management Discussion and Analysis provides a general overview of the finances of the School. Requests for additional information should be addressed to Christine Mentis, Executive Director, at 201 N. University Drive, Coral Springs, Florida 33071.



**EAGLES' NEST MIDDLE CHARTER SCHOOL**  
**Governmental Funds Balance Sheet**  
**June 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Outlay</u>	<u>Total</u>
<b>ASSETS</b>				
Cash	\$150,828			\$150,828
Receivables	125	11,377		11,502
Other Current Assets	8,729			8,729
Due from other Funds	(38,230)	38,230		-
Deposits	10,688			10,688
<b>Total Assets</b>	<u>132,140</u>	<u>49,607</u>	<u>-</u>	<u>181,747</u>
<b>LIABILITIES</b>				
Accounts Payable	5,511			5,511
Accrued salaries	16,460			16,460
Other liabilities	93,631			93,631
<b>Total Liabilities</b>	<u>115,602</u>	<u>-</u>		<u>115,602</u>
<b>FUND BALANCE</b>				
Restricted		49,607		49,607
Unassigned	16,538			16,538
	<u>16,538</u>	<u>49,607</u>		<u>66,145</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$132,140</u>	<u>\$49,607</u>	<u>-</u>	<u>\$181,747</u>

The accompanying notes are an integral part of this statement

**EAGLES' NEST MIDDLE CHARTER SCHOOL**  
**STATEMENT OF NET POSITION**  
**For the Year ended June 30, 2022**

ASSETS	Account Number	Primary Government		
		Governmental Activities	Business-type Activities	Total
Cash and Cash Equivalents	1110	150,828		150,828
Accounts Receivable, Net	1130	11,502		11,502
Deposits	1210	10,688		10,688
Other Current Assets	1220	8,729		8,729
Due from Other Agencies	1230			
Improvements other than Buildings	1320			
Less Accumulated Depreciation	1329			
Furniture, Fixtures and Equipment	1340	252,524		252,524
Less Accumulated Depreciation	1349	(246,311)		(246,311)
Motor Vehicles	1350			
Less Accumulated Depreciation	1359			
Computer Software	1382			
Less Accumulated Depreciation	1389			
<b>Total Assets</b>		187,960		187,960
<b>LIABILITIES</b>				
Salaries and Wages Payable	2110	16,460		16,460
Payroll Deductions and Withholdings	2170			
Accounts Payable	2120	5,511		5,511
Deferred Revenue	2410			
Other Liabilities	21XX	93,631		93,631
Bonds Payable	2320			
<b>Total Liabilities</b>		115,602		115,602
<b>NET POSITION</b>				
Invested in Capital Assets, Net of Related Debt		6,213		6,213
<b>Restricted For:</b>				
Categorical Carryover Programs	2710	49,607		49,607
Debt Service	2750			
<b>Unrestricted</b>		16,538		16,538
<b>Total Net Position</b>		72,358		72,358

The accompanying notes are an integral part of this statement

**EAGLES' NEST MIDDLE CHARTER SCHOOL**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet To The Statement of Net Position**  
**June 30, 2022**

<b>Fund Balance- Governmental Funds</b>	\$66,145
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the

Governmental capital assets	252,524	
Less accumulated depreciation	<u>(246,311)</u>	6,213

Some expenses reported in the Statement of Net Position do not require the use of current financial resources and therefore are not reported as expenditures in the Governmental Funds.

<b>Net Position of Governmental Activities</b>	<u><u>\$72,358</u></u>
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The accompanying notes are an integral part of this statement

**EAGLES' NEST MIDDLE CHARTER SCHOOL**  
**Statement of Governmental Fund (General Fund) Revenues, Expenditures and**  
**Changes in Fund Balance**  
**For the Fiscal Year ended June 30, 2022**

	<u>Governmental Funds</u>	<u>Special Revenue</u>	<u>Capital Outlay</u>	<u>Total</u>
<b>EXPENSES</b>				
Instructional Services	\$ 236,091	\$ 41,098		\$ 277,189
Instruction Support Services	55,136	620		55,756
Board Fees	6,527			6,527
General Administration	-			-
School Administration	40,641	140		40,781
Fiscal Services	13,690			13,690
Central Services	2,482			2,482
Pupil Transportation Services	55,480			55,480
Food Services	-			-
Operation of Plant	56,572	156	32,430	89,158
Community services	153			153
<b>Total Expenses</b>	<u>466,772</u>	<u>42,014</u>	<u>32,430</u>	<u>541,216</u>
<b>PROGRAM REVENUES</b>				
Florida Education Finance Program (FEFP)	331,936			331,936
Capital Grants and Contributions			32,430	32,430
Other Federal Sources		45,965		45,965
<b>Total Program Revenues</b>	<u>331,936</u>	<u>45,965</u>	<u>32,430</u>	<u>410,331</u>
<b>GENERAL REVENUES</b>				
Other State Sources	20,459			20,459
Other Local Sources	6,235			6,235
<b>Total General Revenues</b>	<u>26,694</u>			<u>26,694</u>
Excess of Revenues over Expenses	(108,142)	3,951	-	(104,191)
Fund Balance, Beginning of Year, restated	124,680	45,656		170,336
Fund balance, end of year	<u>\$ 16,538</u>	<u>\$ 49,607</u>	<u>\$ -</u>	<u>\$ 66,145</u>

The accompanying notes are an integral part of this statement

**EAGLES' NEST MIDDLE CHARTER SCHOOL**  
**STATEMENT OF ACTIVITIES**  
**June 30, 2022**

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction	5000	\$ 277,189		\$ 45,965		\$ (231,224)		\$ (231,224)
Instructional Support Services	6300	55,756				(55,756)		(55,756)
Board Services	7100	6,527				(6,527)		(6,527)
General Administration	7200	-				-		-
School Administration	7300	40,781				(40,781)		(40,781)
Fiscal services	7500	13,690				(13,690)		(13,690)
Food services	7600	-				-		-
Central Services	7700	2,482				(2,482)		(2,482)
Pupil Transportation Services	7800	55,480				(55,480)		(55,480)
Operation of Plant	7900	89,158			32,430	(56,728)		(56,728)
Community services	9100	153				(153)		(153)
Unallocated Depreciation Expense *		2,372				(2,372)		(2,372)
Total governmental activities		543,588	-	45,965	32,430	(465,193)		(465,193)

Taxes:

Florida Education Finance Program (FEFP)	331,936	331,936
Grants and contributions not restricted to specific programs	26,694	26,694
Total general revenues, special items, and transfers	358,630	358,630
Change in net position	(106,563)	(106,563)
Net position-beginning	179,101	179,101
Net position-ending	\$ 72,538	\$ 72,538

\* This amount excludes the depreciation that is included in direct expenses of the various functions.

The accompanying notes are an integral part of this statement

**EAGLES' NEST MIDDLE CHARTER SCHOOL**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**of Governmental Fund (General Fund) To The**  
**Statement of Activities**  
**June 30, 2022**

**Net Changes in Fund Balances- Governmental Funds** (\$104,191)

Amounts reported for governmental activities in the

Governmental Funds report capital outlays as expenditures.  
However, in the Statement of Activities, the cost of those  
assets is depreciated over their estimated useful lives.

Expenditures for capital assets		
Less current year depreciation	<u>(2,372)</u>	(2,372)

**Change in Net Position of Governmental Activities** (\$106,563)

The accompanying notes are an integral part of this statement

**EAGLES' NEST MIDDLE CHARTER SCHOOL**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance-Budget (GAAP Basis) and Actual-All Governmental Fund Types**  
**For the Fiscal Year Ended June 30, 2022**

				Special Revenue			Capital Outlay Funds			TOTAL		
	Original and Final		Variance	Original and Final		Variance	Original and Final		Variance	Original and Final		Variance
	Budget	Actual		Budget	Actual		Budget	Actual		Budget	Actual	
<b>EXPENDITURES:</b>												
Instructional Services	\$ 207,423	\$ 236,091	\$ 28,668	\$ 32,860	\$ 41,098	\$ (8,238)				\$ 240,283	\$ 277,189	\$ 36,906
Instruction Support Services	76,445	55,136	(21,309)	374	620	(246)				76,819	55,756	(21,063)
Board Fees	7,000	6,527	(473)							7,000	6,527	(473)
General Administration		-	-							-	-	-
School Administration	47,614	40,641	(6,973)		140					47,614	40,781	(6,833)
Fiscal Services	13,338	13,690	352							13,338	13,690	352
Central Services	-	2,482	2,482							-	2,482	2,482
Pupil Transportation Services	48,000	55,480	(48,000)							48,000	55,480	7,480
Food Services				17,200						17,200	-	(17,200)
Operation of Plant	52,127	56,572	4,445		156		28,700	32,430	3,730	80,827	89,002	8,175
Maintenance of Plant	2,500									2,500		
Community Services	-	153	153							-	153	153
	<u>454,447</u>	<u>466,772</u>	<u>(40,808)</u>	<u>50,434</u>	<u>42,014</u>	<u>(8,484)</u>	<u>28,700</u>	<u>32,430</u>	<u>3,730</u>	<u>533,581</u>	<u>541,060</u>	<u>9,979</u>
<b>PROGRAM REVENUES:</b>												
Florida Education Finance Program	433,185	331,936	(101,249)							433,185	331,936	(101,249)
Capital grants and Contributions							28,700	32,430	3,730	28,700	32,430	3,730
Other Federal Sources				50,434	45,965	(4,469)				79,815	93,050	13,235
	<u>433,185</u>	<u>331,936</u>	<u>(101,249)</u>	<u>50,434</u>	<u>45,965</u>	<u>(4,469)</u>	<u>28,700</u>	<u>32,430</u>	<u>3,730</u>	<u>461,885</u>	<u>364,366</u>	<u>(97,519)</u>

The accompanying notes are an integral part of this statement

**EAGLES' NEST MIDDLE CHARTER SCHOOL**  
**Statement of Revenues, Expenditures and Changes**  
**In Fund Balance-Budget (GAAP Basis) and Actual-All Governmental Fund Types**  
**For the Fiscal Year Ended June 30, 2022**

	Special Revenue			Capital Outlay Funds			TOTAL				
	Original and Final		Variance	Original and Final		Variance	Original and Final		Variance		
	Budget	Actual		Budget	Actual		Budget	Actual			
<b>GENERAL REVENUES:</b>											
Other State Sources	900	20,459	19,559					900	20,459	19,559	
Other local sources	21,500	6,235	(15,265)					21,500	6,235	(15,265)	
	22,400	26,694	4,294		-			22,400	26,694	4,294	
Excess of Expenditures over Revenues	\$ 1,138	\$ (108,142)	\$ (56,147)	\$ 3,951	\$ (12,953)	\$ -	\$ -	\$ -	\$ (49,296)	\$ (150,000)	\$ (83,246)
<b>Fund Balance, Beginning of Year, restated</b>		124,680		45,656					170,336		
<b>Fund Balance, End of year</b>		\$ 16,538		\$ 49,607		\$ -			\$ 66,145		

The accompanying notes are an integral part of this statement



**EAGLES' NEST MIDDLE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Eagles' Nest Middle Charter School ("the School") was established as a nonprofit organization in August of 2005 under the laws of the State of Florida and is the reporting entity.

The School operates as a Charter School pursuant to a Charter School Contract ("the Contract") with The School Board of Broward County, Florida. Under the Contract the School provides an education to children from sixth through the eighth grade who reside in Broward County in and around the City of Coral Springs. For financial statement purposes the School is considered a component unit of The School Board of Broward County, which is a primary government entity for financial reporting.

The School Board of Broward County received 5% of the Florida Education Finance Program (FEFP) revenue as an administrative fee. The Contract is effective through June 30, 2022. The Contract requires The School Board to provide the School's primary source of funding based upon the number of full-time equivalent students (FTES) registered at the School. Eagles' Nest Charter Academy sponsors the School's participation in the National School Lunch Program.

The School is a tax-exempt organization under 501(c)(3) of the Internal Revenue Code.

The School's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for school districts through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

**Basic Financial Statements**

The School's basic financial statements are the Statements of Net Position and the Statement of Activities. All the activities of the School are classified as governmental type activities. There are no business type activities of the School. All the School's governmental activities are included in the general fund, special revenue fund and the capital outlay fund. There are no other major funds. In the Statement of Net Position, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The School's net position is reported in three parts – invested in capital assets, net of related debt; restricted for categorical carryover programs, debt service; and unrestricted net position.

The Statement of Activities reports both the gross and net cost of each of the School's functions. The functions are also supported by government revenues such as Florida Education Finance Program (FEFP), Capital Outlay Funds and Federal Grants. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

**EAGLES' NEST MIDDLE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basic Financial Statements (cont'd.)**

Program revenues must be directly associated with the function (after care and youth services, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

**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, liabilities, equity, revenues and expenditures. Major individual governmental funds are reported as separate columns in the fund financial statements:

*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 grants that are legally restricted to expenditures for particular purposes.

*Capital Outlay Fund* - accounts for specific revenue received from the State of Florida that is used in the purchase, construction or lease of real property.

**Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounting and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**Accrual**

The governmental type activities in the financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. When both restricted and unrestricted resources are available for use, it is the policy of the School to use restricted resources first, then unrestricted resources as they are needed.

**Measurement Focus**

The accounting and financial reporting treatment is determined by applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

**EAGLES' NEST MIDDLE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus (Cont'd.)**

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet and operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles include the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

**Concentration of Credit Risk**

Financial instruments that subject the School to concentrations of credit risk include cash. While the School attempts to limit its financial exposure, its deposit balances may at times exceed federally insured limits. The School has not experienced any losses on such balances.

Cash deposits are held at banks qualified as public depositories in accordance with Chapter 280, Florida Statutes.

**EAGLES' NEST MIDDLE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fair Value Measurements**

The Fair Value Measurements Topic of the FASB Accounting Standards Codification defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements.

The School measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable input and unobservable inputs used to measure fair value as follows:

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

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

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

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placements within the fair value hierarchy levels.

**Contributed Services and Facilities**

The School does not recognize any support, revenue or expense from services contributed by individual volunteers since no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of time to the School's program services.

**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 (i.e., salaries, purchased services, and capital outlay).

**EAGLES' NEST MIDDLE CHARTER SCHOOL,  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Leasehold Improvements	10 Years
Furniture and Equipment	5-10 Years

**Program Revenue**

Revenues for operations are received primarily from the School Board of Broward County 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 School District of Sarasota County. Funding for the School is adjusted during the year to reflect the revised calculations by the Florida Department of Education under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds.

**General Revenue**

These revenue funds include federal grants, state revenue other than Florida Education Finance Program revenue and local source revenue including capital improvement and fundraising.

**Fund Balances Classifications**

GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- a) **Nonspendable** fund balance includes amounts that are not in a spendable form such as inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). There was no nonspendable fund balance at year end.
- b) **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. There was a restricted fund balance at year end.
- c) **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the School's highest level of decision making authority. There was no committed fund balance at year end.

**EAGLES' NEST MIDDLE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Fund Balances Classifications (Cont'd.)**

- d) **Assigned** fund balance includes amounts intended to be used by the School's Management for specific purposes but which does not meet the criteria to be classified as restricted or committed. There was no assigned fund balance at year end.
- e) **Unassigned** fund balance includes amounts that are available for any purpose. These amounts are reported only in the general fund. There was an unassigned fund balance at year end.

**Order of Fund Balance Spending Policy**

The School's policy is to apply expenditures against nonspendable fund balance, followed in order by restricted fund balance, committed fund balance, assigned fund balance, and lastly unassigned fund balance at the end of the fiscal year. The School's Board of Directors can deviate from this policy if it is in the best interest on the School.

**NOTE 2 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance Beginning	Additions	Disposals	Balance Ending
Furniture and Equipment	\$ 252,524	\$ -	\$ -	\$ 252,524
Less Accumulated Depreciation	243,939	2,372	-	246,311
<b>NET CAPITAL ASSETS</b>	<b>\$ 8,585</b>	<b>\$ (2,372)</b>	<b>\$ -</b>	<b>\$ 6,213</b>

Depreciation expense of \$2,372 was charged during the year ended June 30, 2022.

**NOTE 3 – COMPENSATED ABSENCES**

Employees of the School are entitled to paid vacation and sick days depending on length of services. The School's policy is to recognize the cost of vacation days when earned by the employees. The value of unused vacation days are determined to be immaterial and therefore no accrual has been made.

**NOTE 4 – RELATED PARTY TRANSACTIONS**

The School, Eagles' Nest Charter Academy, Panacea Prep Charter School, and Lucious and Emma Nixon Academy are all governed by the same Board of Directors. The School and Panacea Prep Charter School operate out of the same location in Coral Springs, Florida, and share common expenses such as rent and insurance based on the number of students and rooms utilized during the school year.

**EAGLES' NEST MIDDLE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

**Lease Agreement**

The School leases its administrative and classroom facilities under a non-cancelable operating lease that expires in June 2022. Annual rental expenses were approximately \$58,320 for the year ended June 30, 2022. Future minimum payments under this lease, assuming the lease will be renewed, are as follows:

June 30,		
	2023	60,000
	2024	62,000
	2025	64,000
	2026	66,000
	2027	68,000
		<u>\$ 320,000</u>

**Management Agreement**

The School has an Education Consulting Agreement with Charter Schools International (CSI) to manage its operations by providing consulting services for curriculum development, overview of fiscal services, hiring of personnel, development, and research of vendors doing business with the school. The agreement is for a period of ten years and was executed October 1, 2014. In exchange for these services CSI receives 15% of the School's FTE revenue. The total amount paid out under this agreement for the year ended June 30, 2022 was approximately \$48,313.

**Risk Management**

The School 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 School purchases commercial insurance for all material risks of loss to which the School is exposed, including general liability, property, auto and workers compensation. A review of the last eleven years reveals that settled claims have not exceeded insurance coverage.

The School receives funding from the State of Florida based on the number of full time equivalent (FTE) students who attend the Charter School. The data is compiled by the School and is subject to audit by the State and if errors are found this could result in amounts having to be repaid to the State or decrease in future allocations. Management believes that the amounts that would have to be remitted back to the State due to errors in their FTE count would not be material to the financial position of the School.

**EAGLES' NEST MIDDLE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 6 – SUBSEQUENT EVENTS**

Management has evaluated events that occurred subsequent to the year end for potential recognition or disclosure in the financial statements, through the date on which the financial statements were available to be issued. The date when the financial statements were available to be issued was September 15, 2022. Management's evaluation did not reveal any subsequent events that would have a material effect on the financial statements.



# **Mark Escoffery, P.A.**

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## **Certified Public Accountant**

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### **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 Members of Eagles' Nest Middle  
Charter School  
3698 NW 15<sup>th</sup> Street  
Lauderhill, Florida 33311

I have audited the financial statements of Eagles' Nest Middle Charter School ("the School") (a non-profit organization) as of and for the year ended June 30, 2022, and have issued my report thereon dated September 15, 2022. I conducted my 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.

#### **Internal Control over Financial Reporting**

In planning and performing my audit, I considered the School's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the School's internal control over financial reporting.

*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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**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* (Cont'd.)**

To the Board Members of Eagles' Nest Middle  
Charter School  
3698 NW 15<sup>th</sup> Street  
Lauderhill, Florida 33311  
Page 2

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This Report is intended solely for the information and use of the Board Members, Management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Palm Beach Gardens, Florida  
September 15, 2022

# ***Mark Escoffery, P.A.***

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## ***Certified Public Accountant***

8645 N. Military Trail  
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Palm Beach Gardens, FL 33410

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### **MANAGEMENT LETTER**

To the Board Members of Eagles' Nest Middle  
Charter School  
3698 NW 15<sup>th</sup> Street  
Lauderhill, Florida 33311

#### **Report on the Financial Statements**

I have audited the financial statements of Eagles' Nest Middle Charter School Florida, as of and for the fiscal year ended June 30, 2022, and have issued my report thereon dated September 15, 2022.

#### **Auditor's Responsibility**

I conducted my 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**

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing standards*.

#### **Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that I 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 and recommendations made in the preceding annual financial audit report.

#### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Eagles' Nest Middle Charter School.

**MANAGEMENT LETTER**  
**(Continued)**

**Financial Condition**

Sections 10.854(1)(e)2., Rules of the Auditor General, requires that I report the results of my determination as to whether or not the Eagles' Nest Middle Charter School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with my audit, I determined that the Eagles' Nest Middle Charter 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, I applied financial condition assessment procedures for the Eagles' Nest Middle Charter School. It is management's responsibility to monitor the Eagles' Nest Middle Charter School's financial condition, and my financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Financial assessments made did not indicate that the Eagles' Nest Middle Charter School's financial condition is deteriorating.

**Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General require that I report the results of my determination whether the Eagles' Nest Middle Charter School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with my audit, I determined that the Eagles' Nest Middle Charter School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

**Other Matters**

Section 10.854(1)(e)3., Rules of the Auditor General, requires that I address in the management letter any recommendations to improve financial management. In connection with my audit, I did not have any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that I address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charge with governance. In connection with my audit, I did not have any such findings.

**Purpose of this Letter**

My 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 Broward County School Board and is not intended to be and should not be used by anyone other than these specific parties.

Mark Escoffery, P.A.  
September 15, 2022

