
NEW LIFE CHARTER ACADEMIES, INC.
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

MARK ESCOFFERY, P.A.
CERTIFIED PUBLIC ACCOUNTANT

NEW LIFE CHARTER ACADEMIES, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of New Life
Charter Academies, Inc.
3550 Davie Boulevard
Ft. Lauderdale, Florida 33312

Opinion

I have audited the accompanying Financial Statements of the governmental activities, and each major fund, of New Life Charter Academies, Inc. ("the Academies") (a nonprofit organization) a component unit of The School Board of Broward County as of and for the year ended June 30, 2023 which collectively comprise the Academies' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*. 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 New Life Charter Academies, Inc. 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 New Life Charter Academies, Inc.'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 and *Government Auditing Standards* will always detect a material misstatement when it exists.

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

In performing an audit in accordance with generally accepted auditing standards and *Government 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 New Life Charter Academies, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Life Charter Academies, Inc.'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 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, 2023

NEW LIFE CHARTER ACADEMIES, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Our discussion and analysis of New Life Charter Academies, Inc.’s (“the Academies”) financial program provides an overview of the Academies’ financial activities for the year ended June 30, 2023.

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

For financial statement purposes the Academies is considered a component unit of The School Board of Broward County, which is a primary government entity for financial reporting. The Academies 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 Academies. The Fund Financial Statements reflect financing activities of the Academies by providing information on inflows and outflows of spendable resources.

NON FINANCIAL HIGHLIGHTS

The Academies’ daily enrollment for fiscal year ended June 30, 2023, was 122 students. The Academies expects to have an enrollment of 125 students for the school year 2023-2024.

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 Academies’ 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 Academies’ 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 Academies 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.

**NEW LIFE CHARTER ACADEMIES, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont’d.)

Fund Financial Statements (Cont’d.)

Governmental Funds – All of the Academies’ 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 Academies’ 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 14-21 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Academies’ financial position. The Academies’ assets exceeded liabilities by \$16,584 at June 30, 2023.

NET ASSETS

	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>
Current and Other Assets	80,384	151,305
Capital Assets	232,335	60,980
Total Assets	312,719	212,285
Other Liabilities	296,136	125,881
Total Liabilities	296,136	125,881
Investment in Capital Assets	59,049	60,980
Restricted	5,100	10,814
Unrestricted	(47,566)	14,610
Total Net Position	16,583	86,404

Revenues from governmental activities totaled \$1,287,220 for the year ended June 30, 2023. The main source of revenue is from Florida Education Finance Program (FEFP). This revenue represented approximately 72.3% of total governmental revenue.

**NEW LIFE CHARTER ACADEMIES, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd.)

<u>Revenue Source</u>	<u>6/30/23</u>	<u>% of Total 6/30/23</u>	<u>6/30/22</u>	<u>% of Total 6/30/22</u>
State Sources	\$ 1,031,669	77.3	\$ 1,003,485	73.6
Federal Sources	255,551	19.1	333,023	24.5
Local Sources	48,676	3.6	26,291	1.9
TOTAL	\$ 1,335,896	100.0	\$ 1,362,799	100.0

Federal revenue sources are primarily Title 1 funds, UniSIG funds, and the National School Lunch Program (NSLP). Increases in levels of expenses for major functions of the Academies are shown in the following table:

<u>Expense</u>	<u>6/30/23</u>	<u>% of Total 6/30/23</u>	<u>6/30/22</u>	<u>% of Total 6/30/22</u>
Instruction	\$ 529,361	37.2	\$ 565,582	37.9
Instructional Support Services	113,708	8.0	128,060	8.7
Board Services	14,261	1.0	14,169	1.0
School Administration	235,568	16.5	251,713	16.9
Fiscal Services	48,030	3.4	48,549	3.4
Food Services	100,294	7.0	88,246	5.9
Pupil Transportation	1,210	0.1	-	-
Operation of Plant	164,682	11.6	362,934	24.3
Maintenance of Plant	974	0.1	7,630	0.1
Community Services	12,534	0.9	-	-
Interest Expense	16,231	0.1	-	-
Depreciation and amortization	186,586	13.1	26,866	1.8
TOTAL	\$ 1,423,439	100.0	\$ 1,493,749	100.0

BUDGETARY HIGHLIGHTS

State revenues were approximately \$100,000 less than budgeted amounts, primarily due to lower enrollment than budgeted.

Expenditures were approximately \$5,000 less than budgeted. Transportation expense was lower than budgeted because the school decided not to offer transportation services subsequent to the budgeting process. Food services expense was lower than budgeted due to reduced enrollment. This reduction was offset by an increase in operation of plant expenses.

Total fund balance was \$(42,466) at June 30, 2023.

NEW LIFE CHARTER ACADEMIES, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2023

CAPITAL ASSETS

The Academies’ investment in capital assets at June 30, 2023 was \$232,335 (net of depreciation). The investment includes leasehold improvements, furniture and equipment and computer software and equipment. The following is a summary of capital assets balances at June 30, 2023.

Furniture and Equipment	\$ 209,757
ROU Asset	365,012
Computer Equipment	<u>2,467</u>
	577,236
Less Accumulated Depreciation	<u>344,901</u>
	<u>\$ 232,335</u>

PROSPECTS FOR THE FUTURE

The Academies continue 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 Academies will achieve a higher rating from the Department of Education.
- The Administration believes that the Academies 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 Academies. Requests for additional information should be addressed to Shirley Brunache, Principal, at 3550 Davie Boulevard, Ft. Lauderdale, Florida 33312.

NEW LIFE CHARTER ACADEMY, INC.
Governmental Fund Balance Sheet
June 30, 2023

	Governmental Funds	Special Revenue Funds	Total
ASSETS			
Cash	42,135	-	42,135
Receivables	264	32,599	32,863
Other current assets	5,386	-	5,386
Due from other funds	27,499	(27,499)	-
Deposits	-	-	-
Total Assets	75,284	5,100	80,384
LIABILITIES			
Accounts Payable	48,226	-	48,226
Salaries and Wages Payable	19,624	-	19,624
Other liabilities	55,000	-	55,000
Total Liabilities	122,850	-	122,850
FUND BALANCE			
Restricted	-	5,100	5,100
Committed	-	-	-
Unassigned	(47,566)	-	(47,566)
	(47,566)	5,100	(42,466)
Total Liabilities and Fund Balance	\$ 75,284	\$ 5,100	\$ 80,384

The accompanying notes are an integral part of this statement

NEW LIFE CHARTER ACADEMY, INC.
STATEMENT OF NET POSITION
For the Year ended June 30, 2023

ASSETS	Account Number	Primary Government		
		Governmental Activities	Business-type Activities	Total
Cash and Cash Equivalents	1110	42,135		42,135
Accounts Receivable, Net	1130	32,863		32,863
Due from other Agencies		-		-
Deposits	1210	-		-
Other current assets		5,386		5,386
Prepayments	1230			
Capital Assets:				
Improvements other than Buildings	1320	-		-
Less Accumulated Depreciation	1329	-		-
Furniture, Fixtures and Equipment	1340	209,757		209,757
Less Accumulated Depreciation	1349	(165,644)		(165,644)
Motor Vehicles	1350			
Less Accumulated Depreciation	1359			
Computer Software	1382	2,467		2,467
Less Accumulated Depreciation	1389	(1,906)		(1,906)
Right of Use Asset		365,012		365,012
Accumulated Amortization		(177,351)		(177,351)
Total Assets		312,719		312,719
LIABILITIES				
Salaries and Wages Payable	2110	19,624		19,624
Accounts Payable	2120	48,226		48,226
Other Liabilities		55,000		55,000
Noncurrent Liabilities:				
Portion Due Within One Year:				
Lease Payable	2320	173,286		173,286
Total Liabilities		296,136		296,136
NET POSITION				
Invested in Capital Assets, Net of Related Debt		59,049		59,049
Restricted For:				
Categorical Carryover Programs	2710	5,100		5,100
Debt Service	2750			
Unrestricted		(47,566)		(47,566)
Total Net Position		16,583		16,583

The accompanying notes are an integral part of this statement

NEW LIFE CHARTER ACADEMY, INC.
Reconciliation of Governmental Funds
Balance Sheet To the Statement of Net Position
June 30, 2023

Fund Balance- Governmental Funds		\$ (42,466)
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds</p>		
Governmental capital assets	212,224	
Right of use asset	365,012	
Less accumulated amortization	(177,351)	
Less accumulated depreciation	<u>(167,550)</u>	
		232,335
<p>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.</p>		
Lease payable		(173,286)
Net Position of Governmental Activities		<u><u>\$ 16,583</u></u>

The accompanying notes are an integral part of this statement

NEW LIFE CHARTER ACADEMY, INC.
Statement of Governmental Fund Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year ended June 30, 2023

	Governmental Funds	Special Revenue	Capital Outlay	Total
EXPENSES				
Instructional Services	\$ 435,513	\$ 93,848	\$ -	\$ 529,361
Instructional Support Services	93,242	20,466	-	113,708
Board Services	14,261	-	-	14,261
School Administration	235,568	-	-	235,568
Fiscal Services	48,000	30	-	48,030
Food Services	2,848	97,446	-	100,294
Pupil Transportation Services	1,210	-	-	1,210
Operation of Plant	258,060	48,431	65,140	371,631
Maintenance of Plant	350	624	-	974
Community Services Services	12,534	-	-	12,534
Debt service	1,008	-	-	1,008
Total Expenses	<u>1,102,594</u>	<u>260,845</u>	<u>65,140</u>	<u>1,428,579</u>
PROGRAM REVENUES				
Florida Education Finance Program (FEFP)	930,027	-	-	930,027
Capital Outlay	-	-	65,140	65,140
Other Federal Sources	-	255,551	-	255,551
Charges for Services	-	-	-	-
Total Program Revenues	<u>930,027</u>	<u>255,551</u>	<u>65,140</u>	<u>1,250,718</u>
GENERAL REVENUES				
Other State Sources	36,502	-	-	36,502
Other Local sources	48,676	-	-	48,676
Total General Revenues	<u>85,178</u>	<u>-</u>	<u>-</u>	<u>85,178</u>
Excess of Revenues over Expenses	(87,389)	(5,294)	-	(92,683)
Other Financing Sources	-	-	-	-
Transfers in	50,000	-	-	50,000
Transfers out	(25,000)	-	-	25,000
Total Other Funding Sources	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net change in Fund Balance	(62,389)	(5,294)	-	(67,683)
Fund balance, beginning of Year, restated	14,823	10,394	-	25,217
Fund balance, end of year	<u>\$ (47,566)</u>	<u>\$ 5,100</u>	<u>\$ -</u>	<u>\$ (42,466)</u>

The accompanying notes are an integral part of this statement

NEW LIFE CHARTER ACADEMY, INC.
Statement of Activities
For the year ended June 30, 2023

FUNCTIONS	Account Number	Expenses	Charges for Services	Program Revenues		Net (expense) /revenues and Changes in Net Position		Total
				Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:								
Instructional Services	5000	\$ 529,361		\$ 255,551		\$ (273,810)		\$ (273,810)
Instructional Support Services	6000	113,708				(113,708)		(113,708)
Board Services	7100	14,261				(14,261)		(14,261)
School Administration	7300	235,568				(235,568)		(235,568)
Fiscal Services	7500	48,030				(48,030)		(48,030)
Food Services	7600	100,294				(100,294)		(100,294)
Pupil Transportation Services	7800	1,210				(1,210)		(1,210)
Operation of Plant	7900	164,682			65,140	(99,542)		(99,542)
Maintenance of Plant	8100	974				(974)		(974)
Community Services Services	9100	12,534				(12,534)		(12,534)
Interest Expense	9200	16,231				(16,231)		(16,231)
Depreciation & Amortization Expense		186,586				(186,586)		(186,586)
		<u>1,423,439</u>	<u>-</u>	<u>255,551</u>	<u>65,140</u>	<u>(1,102,748)</u>		<u>(1,102,748)</u>

Taxes:

Florida Education Finance Program (FEFP)		930,027	930,027
Grants and contributions not restricted to specific programs		<u>110,178</u>	<u>110,178</u>
Total general revenues, special items, and transfers		1,040,205	1,040,205
Change in net position		(62,543)	(62,543)
Net position-beginning, restated		<u>79,126</u>	<u>79,126</u>
Net position-ending		<u>\$ 16,583</u>	<u>\$ 16,583</u>

The accompanying notes are an integral part of this statement

NEW LIFE CHARTER ACADEMY, INC.
Reconciliation of the Statement of Revenues
Expenditures and Changes in Fund Balances
of Governmental Funds To The
Statement of Activities
June 30, 2023

Net Changes in Fund Balances- Governmental Funds \$ (67,683)

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

Right of use Asset	365,012	
Less accumulated amortization	(177,351)	
Less current year depreciation	<u>(9,235)</u>	
		178,426

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.

Lease liability		(173,286)
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Change in Net Position of Governmental Activities \$ (62,543)

The accompanying notes are an integral part of this statement

NEW LIFE CHARTER ACADEMY, INC.
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, 2023

	General			Special Revenue			Capital Outlay			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	
EXPENDITURES:												
Instructional Services	\$ 420,400	\$ 435,513	\$ 15,113	\$ 137,000	\$ 93,848	\$ (43,152)			\$ 557,400	\$ 529,361	\$ (28,039)	
Instructional Support Services	101,700	93,242	(8,458)	3,850	20,466	16,616			105,550	113,708	8,158	
Board Services	8,200	14,261	6,061						8,200	14,261	6,061	
General Administration	52,100	-	(52,100)						52,100	-	(52,100)	
School Administration	175,243	235,568	60,325						175,243	235,568	60,325	
Fiscal Services	49,750	48,000	(1,750)		30				49,750	48,030	(1,720)	
Food Services	-	2,848	2,848	148,000	97,446	(50,554)			148,000	100,294	(47,706)	
Central Services	7,500		(7,500)						7,500	-	(7,500)	
Pupil Transportation Services	48,600	1,210	(47,390)						48,600	1,210	(47,390)	
Operation of Plant	175,763	258,060	82,297	28,000	48,431	20,431	65,140	65,140	-	268,903	371,631	102,728
Maintenance of Plant	5,000	350	(4,650)		624				5,000	974	(4,026)	
Community services Services	6,300	12,534	6,234						6,300	12,534	6,234	
Debt service		1,008								1,008		
	<u>1,050,556</u>	<u>1,102,594</u>	<u>51,030</u>	<u>316,850</u>	<u>260,845</u>	<u>(56,659)</u>	<u>65,140</u>	<u>65,140</u>	<u>-</u>	<u>1,432,546</u>	<u>1,428,579</u>	<u>(4,975)</u>
PROGRAM REVENUES:												
Florida Education Finance Program	1,030,868	930,027	(100,841)							1,030,868	930,027	(100,841)
Capital Outlay							65,140	65,140	-	65,140	65,140	-
Other Federal Sources				316,850	255,551	(61,299)				316,850	255,551	(61,299)
	<u>1,030,868</u>	<u>930,027</u>	<u>(100,841)</u>	<u>316,850</u>	<u>255,551</u>	<u>(61,299)</u>	<u>65,140</u>	<u>65,140</u>	<u>-</u>	<u>1,412,858</u>	<u>1,250,718</u>	<u>(162,140)</u>
GENERAL REVENUES:												
Other State Sources	2,000	36,502	34,502							2,000	36,502	34,502
Other Local Sources	17,212	48,676	31,464							17,212	48,676	31,464
	<u>19,212</u>	<u>85,178</u>	<u>65,966</u>	<u>316,850</u>	<u>-</u>	<u>-</u>				<u>19,212</u>	<u>85,178</u>	<u>65,966</u>
Excess of Expenditures over Revenues	<u>\$ (476)</u>	<u>(87,389)</u>	<u>\$ (85,905)</u>	<u>\$ -</u>	<u>\$ (5,294)</u>	<u>\$ 56,659</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (476)</u>	<u>\$ (92,683)</u>	<u>\$ (91,199)</u>
Other Financing Sources												
Transfers in		50,000										
Transfers out		<u>(25,000)</u>										
Total Other Funding Sources		<u>25,000</u>			<u>\$ (5,294)</u>			<u>\$ -</u>			<u>19,706</u>	
Net change in Fund Balance		<u>(62,389)</u>										
Fund Balance, Beginning of Year, restated		<u>14,823</u>			<u>10,394</u>			<u>-</u>			<u>25,217</u>	
Fund Balance, End of year		<u>\$ (47,566)</u>			<u>\$ 5,100</u>			<u>\$ -</u>			<u>\$ (42,466)</u>	

The accompanying notes are an integral part of this statement

**NEW LIFE CHARTER ACADEMIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

New Life Charter Academies, Inc.’s (“Academies”) was established as a nonprofit organization on July 19, 2012, under the laws of the State of Florida and is the reporting entity.

The Academies operate as a Charter School pursuant to a Charter School Contract (“the Contract”) with The School Board of Broward County, Florida. Under the Contract the Academies provide an education to children, from Kindergarten through the fifth grade, who reside in Broward County in and around the City of Ft. Lauderdale. For financial statement purposes the Academies 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, 2024. The Contract requires The School Board to provide the Academies’ primary source of funding based upon the number of full-time equivalent students (FTES) registered at the Academies.

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

The Academies’ 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 Academies are discussed below.

Basic Financial Statements

The Academies’ basic financial statements are the Statements of Net Position and the Statement of Activities. All the activities of the Academies are classified as governmental type activities. There are no business type activities of the Academies. All the Academies’ governmental activities are included in the general 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 Academies’ net position are 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 Academies’ 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.

**NEW LIFE CHARTER ACADEMIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont’d.)

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 Academies’ primary operating fund. It accounts for all financial resources of the Academies, except those required to be accounted for in another fund.

Special Revenue Fund – accounts for specific revenue, 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 Academies 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).

**NEW LIFE CHARTER ACADEMIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

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 Academies consider 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 Academies to concentrations of credit risk include cash. While the Academies attempt to limit its financial exposure, its deposit balances never exceeded federally insured limits. The Academies have not experienced any losses on such balances.

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

**NEW LIFE CHARTER ACADEMIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont’d.)

Fair Value Measurements

The Fair Value Measurement Topic of the FASB Accounting Standards Codification defines fair value, establishes a consistent framework for measuring fair value within accounting principles generally accepted in the United States of America. The Academies’ financial Assets, measured at fair value, include cash that is valued according to level 1, which is the highest level of measurement.

Contributed Services and Facilities

The Academies do 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 Academies’ 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).

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.

**NEW LIFE CHARTER ACADEMIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont’d.)

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 Balance 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 Academies’ highest level of decision making authority. There was no committed fund balance at year end.
- d) **Assigned** fund balance includes amounts intended to be used by the Academies’ 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 Academies’ 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 Academies’ Board of Directors can deviate from this policy if it is in the best interest of the Academies.

Adoption of FASB ASC 842

Effective July 1, 2022, the Academies adopted FASB ASC 842, *Leases*. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months.

**NEW LIFE CHARTER ACADEMIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont’d.)

Adoption of FASB ASC 842 (Cont’d.)

Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Academies elected to adopt FASB ASC 842, *Leases*, using the optional transition method that allows the Academies to initially apply the new leases standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption. As a result, the Academies reporting for the comparative period presented in the financial statements is in accordance with FASB ASC 842.

The Academies elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Academies also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

See Note 5 – Leases for a discussion of the impact of implementing FASB ASC 842, *Leases*.

NOTE 2 – CAPITAL ASSETS

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

	Balance Beginning	Additions	Disposals	Balance Ending
Furniture and Equipment	\$ 209,757	\$ -	\$ -	\$ 209,757
ROU Asset	-	365,012	-	365,012
Computer Equipment	2,467	-	-	2,467
	212,224	365,012	-	577,236
Less Accumulated Depreciation and Amortization	158,315	186,586	-	344,901
NET CAPITAL ASSETS	\$ 53,909	\$ 178,426	\$ -	\$ 232,335

Depreciation and amortization expense of \$186,586 was charged during the year ended June 30, 2023.

NEW LIFE CHARTER ACADEMIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 – COMPENSATED ABSENCES

Employees of the Academies are entitled to paid vacation and sick days depending on length of services. The Academies’ policy is to recognize the cost of vacation days when earned by the employees. The current policy of the Academies is that vacation days not used during the calendar year are forfeited. The value of unused vacation days was determined to be immaterial and therefore no accrual has been made.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Risk Management

The Academies 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 Academies purchase commercial insurance for all material risks of loss to which the Academies are exposed, including general liability, property, and workers compensation. A review of the last six years reveals that settled claims have not exceeded insurance coverage.

The Academies receives funding from the State of Florida based on the number of full time equivalent (FTE) students who attend the Charter Academies. The data is compiled by the Academies 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 reported that the school did not have to repay any funds back to the State since there were no errors in their FTE count.

NOTE 5 – LEASES

The Academies has lease arrangements for certain equipment that typically do not extend beyond five years and generally contain one year renewal options, none of which are reasonably certain of exercise. The Academies’ lease arrangements may contain both lease and non-lease components. The Academies has elected to combine and account for lease and non-lease components as a single lease component for its leases.

The Academies leases its administrative and classroom facilities under a non cancelable operating lease that expires in 2024.

The Academies made \$192,575 of fixed cash payments related to operating leases for the year ended June 30, 2023.

The following table shows lease expense details for the year ended June 30, 2023:

Lease expense	
Operating lease expense	\$ 192,575
Total	<u><u>\$ 192,575</u></u>

**NEW LIFE CHARTER ACADEMIES, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 5 – LEASES (Cont’d.)

The following table shows other important lease information:

Other information

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	178,200
ROU assets obtained in exchange for new operating lease liabilities	336,263
Weighted-average remaining lease term in years for finance leases	1 year
Weighted-average discount rate for finance leases	6.15%

Lease liability maturities as of June 30, 2023, are as follows:

YEAR ENDED	
JUNE 30,	
2024	178,200
2025-2028	<u>-</u>
Total undiscounted cash flows	178,200
Less: present value discount	<u>(4,913)</u>
Total lease liabilities	<u><u>173,287</u></u>

NOTE 6 – OTHER LIABILITIES

The majority of the other liabilities are amounts due to KEM Consulting. The balance of these amounts at June 30, 2023 was \$40,000.

NOTE 7 – RELATED PARTIES

The Academies has a contract with a company owned by a family member of the principal to provide technical assistance for web site enhancement, technical training and mass communication. The contract began in July 2021, is for one year with automatic annual renewal unless terminated by either party, and the fees are \$21,600 per year.

The Academies had an outstanding loan to the principal in the amount of \$15,000 at June 30, 2023 that is presented in other liabilities.

NOTE 8 – 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, 2023. Management’s evaluation did not reveal any subsequent events that would have a material effect on the financial statements.

Mark Escoffery, P.A.

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 New Life
Charter Academies, Inc.
3550 Davie Boulevard
Ft. Lauderdale, Florida 33312

I have audited the financial statements of New Life Charter Academies, Inc. (“the Academies”) (a non-profit organization) as of and for the year ended June 30, 2023, and have issued my report thereon dated September 15, 2023. 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 Academies’ 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 Academies’ internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Academies’ 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.)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academies' 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, 2023

Mark Escoffery, P.A.

Certified Public Accountant

8645 N. Military Trail
Suite 503
Palm Beach Gardens, FL 33410

Tel (561) 627-1404
Fax (561) 627-3844

MANAGEMENT LETTER

To the Board Members of New Life
Charter Academies, Inc.
3550 Davie Boulevard
Ft. Lauderdale, Florida 33312

Report on the Financial Statements

I have audited the financial statements of the New Life Charter Academies, Inc., Florida, (“the Academies”) as of and for the fiscal year ended June 30, 2023, and have issued my report thereon dated September 15, 2023.

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 New Life Charter Academies, Inc.

**MANAGEMENT LETTER
(Continued)**

Financial Condition

Section 10.854(1)(e)2., Rules of the Auditor General, require that I report the results of my determination as to whether or not the New Life Charter Academies, Inc., 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 New Life Charter Academies, Inc. 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 New Life Charter Academies, Inc. It is management's responsibility to monitor the New Life Charter Academies' 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 New Life Charter Academies' 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 as to whether the New Life Charter Academies, Inc. 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 New Life Charter Academies, Inc. 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 charged 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 The Broward County School Board and is not intended to be and should not be used by anyone other than these specified parties.



Mark Escoffery, P.A.
September 15, 2023