

STELLAR LEADERSHIP ACADEMY, INC.

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

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

YEAR ENDED JUNE 30, 2023



STELLAR LEADERSHIP ACADEMY, INC.

TABLE OF CONTENTS

	PAGE(S)
Introduction Section	
General Information.....	3
Financial Section	
Independent Auditors' Report	4-6
Required Supplementary Information	
Management's Discussion and Analysis (Unaudited).....	7-11
Basic Financial Statements	
Statement of Net Position	12
Statement of Activities.....	13
Fund Financial Statements	
Governmental Funds: Balance Sheet	15
Reconciliation of the Governmental Funds	
Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances	17
Reconciliation of the Statement of Revenues, Expenditures and Changes	
In Fund Balances of Governmental Funds to the Statement of Activities.....	18
Notes to Financial Statements.....	19-26
Supplementary Information (Unaudited)	
Budgetary Comparison Schedule.....	28-29
Notes to Supplementary Information.....	30
Reports Required by Government Auditing Standards	
Independent Auditors' Report on Internal Control over Financial	
Reporting and on Compliance and Other Matters Based on an	
Audit of Financial Statements Performed in Accordance with	
<i>Government Auditing Standards</i>	30-32
Management Letter Required by Chapter 10.850 Rules of the	
Auditor General of the State of Florida	33-34

STELLAR LEADERSHIP ACADEMY, INC.

Board of Directors

Board Chair

Fathiyyah Doster

Vice-President

Donald Irving

Secretary/ Treasurer

Anthony Harris

Board Members

Dannie McMillion

Danielle Casey

School Administration

Principal

Angel Chaisson

Vice Principal

Angela Kemp

Dean

Mosiah Ramontal

Dean

Ashley Young



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of Stellar Leadership Academy, Inc. (the Charter School), which is a component unit of the Miami-Dade County District School Board, Miami, Florida as of, and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Stellar Leadership Academy, Inc. as of June 30, 2023, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stellar Leadership Academy to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Stellar Leadership Academy, Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stellar Leadership Academy, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stellar Leadership Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters- Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule on pages 7-11 and 28-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 15, 2023, on our consideration of the Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in blue ink that reads "Thomas & Company CPA PA". The signature is written in a cursive, flowing style.

Thomas & Company CPA PA
Cooper City, Florida
September 15, 2023

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
JUNE 30, 2023

Our discussion and analysis of the Stellar Leadership Academy, Inc.’s (“Academy”) financial program provides an overview of the Academy’s 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 Academy’s financial statements which begin on page 12.

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

Some financial highlights include:

- The Academy’s revenues exceeded expenses by \$366,549 increasing its total net position.
- The Academy’s total assets exceeded its liabilities by \$1,275,886 resulting in a positive net position.

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 Academy’s financial position. Included in these statements are all assets and liabilities using the accrual method of accounting. All of the current year’s revenues and expenses are recorded when incurred.

The Statement of Net Position presents information on all of the Academy’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 Academy 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.

The government-wide financial statements can be found on pages 12-13 of this report.

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. The School only has one category of funds – governmental funds.

Governmental Funds - All of the Academy’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 Academy’s governmental activities and the basic services it provides.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
JUNE 30, 2023

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 19-26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Academy’s financial position. The following table presents an analysis of the condensed government-wide statements of net position:

Condensed Statement of Net Position

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Variance</u>
Assets			
Current Assets	\$ 716,716	\$ 515,825	\$ 200,891
Non-Current Assets	1,295,012	1,486,279	(191,267)
Total Assets	<u>2,011,728</u>	<u>2,002,104</u>	<u>9,624</u>
Liabilities and Net Position			
Liabilities			
Current Liabilities	396,926	419,878	(22,952)
Non-Current Liabilities	338,916	672,889	(333,973)
Total Liabilities	<u>735,842</u>	<u>1,092,767</u>	<u>(356,925)</u>
Net Position			
Invested in Capital Assets, Net of Related D	622,123	484,287	137,836
Unrestricted	653,763	425,050	228,713
Total Net Position	<u>1,275,886</u>	<u>909,337</u>	<u>366,549</u>
Total Liabilities and Net Position	<u>\$ 2,011,728</u>	<u>\$ 2,002,104</u>	<u>\$ 9,624</u>

The Charter School reported a positive net position for the year of \$1,275,886. The Charter School's net position also reflects its investment in capital assets (e.g., Leased property, computers, furniture, fixtures, and equipment). The Charter School uses its capital assets to provide services to students. Consequently, these assets are not available for future spending. Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2023, the Charter school had no restricted assets. The remaining unrestricted balance may be used in any of the Charter School’s ongoing operations.

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

The following table presents information on the condensed government-wide statements of changes in net position:

Condensed Statement of Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
Revenue:			
General Revenues	\$ 2,720,684	\$ 2,182,501	\$ 538,183
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	729,988	518,916	211,072
Capital Grants and Contributions	204,006	196,150	7,856
Total Revenue	<u>3,654,678</u>	<u>2,897,567</u>	<u>757,111</u>
Expenses:			
Instruction	1,214,472	689,546	524,926
Student Support Services	60,791	83,853	(23,062)
Instruction and Curriculum Development	-	2,788	(2,788)
Instructional Staff Training Services	-	5,200	(5,200)
School Board	38,894	5,152	33,742
General Administration	199,116	89,696	109,420
School Administration	529,319	400,339	128,980
Fiscal Services	92,984	182,397	(89,413)
Food Services	139,507	127,195	12,312
Student Transportation Services	36,353	29,930	6,423
Operation of Plant	432,823	401,876	30,947
Maintenance of Plant	-	23,287	(23,287)
Interest on Long-Term Debt	14,834	19,391	(4,557)
Unallocated Depreciation & Amortization Expense	529,036	597,438	(68,402)
Total Expenses	<u>3,288,129</u>	<u>2,658,088</u>	<u>630,041</u>
Change in Net Position	366,549	239,479	127,070
Net Position - Beginning of the year	909,337	669,858	239,479
Net Position - Ending of the year	<u>\$ 1,275,886</u>	<u>\$ 909,337</u>	<u>\$ 366,549</u>

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
JUNE 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont.)

- At the end of the fiscal year there were 300 students in grades 9th through 12th grade. Revenues are based on the amount received per student from the State through the School Board of Miami-Dade County.
- Expenses for instruction are the result of teachers' salaries and related benefits, and also materials and supplies that directly impact student learning.
- School administration is due primarily to administrator and other administrative personnel related benefits as well as administrative costs.
- Expense for student transportation services is due to the transportation of students to and from school.
- Operation of plant expenses consists of utilities, communications, insurance costs, support personnel and related benefits.

The government-wide basic financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The Academy does not have any business-type activities.

Financial Analysis of the Charter School's Funds

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

At the end of fiscal year 2023 the Charter School's governmental fund reported a positive ending fund balance of \$653,763.

Capital Assets, Right-to-use Assets and Debt Administration

The Academy's investment in capital and right-to-use assets as of June 30, 2023 was \$1,295,012. This amount is net of accumulated depreciation and amortization of \$1,519,087. Capital assets additions in the current year include new computer software and furniture, fixtures and equipment. A more detailed analysis is provided in Note 4.

The Charter School's outstanding debt consisted of the lease liability with the implementation of *GASB Statement 87*.

STELLAR LEADERSHIP ACADEMY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
JUNE 30, 2023

Economic Factors and Next Year’s Budget

The following economic indicators were considered when adopting the general fund budget for fiscal year 2023-24:

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

Amounts available for appropriation in the general fund are \$3,501,876, an approximate 4% increase from the actual 2023 amount. A predominate factor affecting the budget is the school’s funded student membership. The funded membership for the fiscal year is 100 percent of June 2023 student count. The fiscal year 2023-24 budget is based on a slightly lower student count as the official student membership count funded in 2022-23. During the year, aggregate revenues are expected to increase as the student membership decreases below the actual student count from the 2023 school year due to the fact there was an increase to the student allocation per student FTE.

Budgeted general fund expenditures are expected to increase to \$3,010,102 or 9%, from the fiscal 2023 actual figure of \$3,288,129. The school is allocating resources to enhance academic achievement at all student-learning levels and for anticipated student membership. The increased expenditure base includes salary increases, the rising cost of health care and increases in other fixed recurring costs for School operations.

If these estimates are realized, the school’s general fund balance is expected to increase by the close of fiscal 2024.

School Enrollment

During the fiscal year June 30, 2023, the grade levels at the Charter School ranged from Grade 9th through Grade 12th, with a total enrollment of 300 students.

Requests for Information

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

STELLAR LEADERSHIP ACADEMY, INC.
STATEMENT OF NET POSITION
AS AT JUNE 30, 2023

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 542,875
Accounts Receivable, Net	152,383
Deposit Receivable	21,458
Total Current Assets	716,716
Non-Current Assets	
Capital Assets, Net	639,920
Right-to-use Assets, Net	655,092
Total Non-Current Assets	1,295,012
TOTAL ASSETS	2,011,728
LIABILITIES AND NET POSITION	
LIABILITIES	
Current Liabilities	
Accounts Payable	21,741
Salaries and Wages Payable	41,212
Current Portion - Lease Liability	333,973
Total Current Liabilities	396,926
Non-Current Liabilities	
Non-Current Portion - Lease Liability	338,916
Total Non-Current Liabilities	338,916
TOTAL LIABILITIES	735,842
NET POSITION	
Invested in Capital Assets, Net of Related Debt	622,123
Unrestricted	653,763
TOTAL NET POSITION	1,275,886
TOTAL LIABILITIES AND NET POSITION	\$ 2,011,728

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

STELLAR LEADERSHIP ACADEMY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program Revenues</u>			<u>Net Revenues (Expenses) and Change in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Governmental Activities					
Instruction	\$ 1,214,472	\$ -	\$ 510,012	\$ -	\$ (704,460)
Student Support Services	60,791	-	-	-	(60,791)
School Board	38,894	-	-	-	(38,894)
General Administration	199,116	-	-	-	(199,116)
School Administration	529,319	-	-	-	(529,319)
Fiscal Services	92,984	-	-	-	(92,984)
Food Services	139,507	-	219,000	-	79,493
Student Transportation Services	36,353	-	-	-	(36,353)
Operation of Plant	432,823	-	976	204,006	(227,841)
Interest on Long-term Debt	14,834	-	-	-	(14,834)
Unallocated Depreciation & Amortization Expense	529,036	-	-	-	(529,036)
Total Governmental Activities	<u>\$ 3,288,129</u>	<u>\$ -</u>	<u>\$ 729,988</u>	<u>\$ 204,006</u>	<u>\$ (2,354,135)</u>
General Revenues:					
School Board of Miami- Dade County - FTE					\$ 2,279,491
Miscellaneous					441,193
Total General Revenues					<u>2,720,684</u>
Change in Net Position					366,549
Net Position - July 1, 2022					909,337
Net Position - June 30, 2023					<u>\$ 1,275,886</u>

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

STELLAR LEADERSHIP ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE MIAMI-DADE
COUNTY DISTRICT SCHOOL BOARD
FUND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

STELLAR LEADERSHIP ACADEMY, INC.
BALANCE SHEET- GOVERNMENTAL FUNDS
AS AT JUNE 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 542,875	\$ -	\$ -	\$ 542,875
Accounts Receivable, Net	81,421	48,400	22,562	152,383
Due from Other Fund	22,562	135,574	-	158,136
Deposits Receivable	21,458	-	-	21,458
TOTAL ASSETS	<u>668,316</u>	<u>183,974</u>	<u>22,562</u>	<u>874,852</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	21,741	-	-	21,741
Due to Other Fund	135,574	-	22,562	158,136
Salaries and Wages Payable	41,212	-	-	41,212
TOTAL LIABILITIES	<u>198,527</u>	<u>-</u>	<u>22,562</u>	<u>221,089</u>
FUND BALANCES				
Nonspendable				
Deposits Receivable	21,458	-	-	21,458
Unassigned	448,331	183,974	-	632,305
TOTAL FUND BALANCES	<u>469,789</u>	<u>183,974</u>	<u>-</u>	<u>653,763</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 668,316</u>	<u>\$ 183,974</u>	<u>\$ 22,562</u>	<u>\$ 874,852</u>

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

STELLAR LEADERSHIP ACADEMY, INC.
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS AT JUNE 30, 2023

Total Fund Balances- Governmental Funds **\$ 653,763**

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

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

Cost of Capital Assets	\$ 1,503,913	
Provision for Depreciation	(863,993)	639,920

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

Right-to-use Asset	655,092
Lease Liability	(672,889)

Total Net Position - Governmental Activities **\$ 1,275,886**

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

STELLAR LEADERSHIP ACADEMY, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenue				
School Board of Miami- Dade County - FTE	\$ 2,279,491	\$ -	\$ -	\$ 2,279,491
Operating Grants and Contributions	-	729,988	-	729,988
Capital Grant and Other Contributions	-	-	204,006	204,006
Miscellaneous Revenues	441,193	-	-	441,193
Total Revenue	2,720,684	729,988	204,006	3,654,678
Expenditure				
Instruction	659,341	555,131	-	1,214,472
Student Support Services	60,791	-	-	60,791
School Board	38,894	-	-	38,894
General Administration	199,116	-	-	199,116
School Administration	501,037	28,282	-	529,319
Fiscal Services	92,984	-	-	92,984
Food Services	-	139,507	-	139,507
Student Transportation Services	36,353	-	-	36,353
Operation of Plant	227,841	976	204,006	432,823
Debt Service:				
Principal	329,103	-	-	329,103
Interest and Other Charges	14,834	-	-	14,834
Capital Outlay:				
Furniture, Fixtures & Equipment	245,654	-	-	245,654
Computer Software	92,115	-	-	92,115
Total Expenditure	2,498,063	723,896	204,006	3,425,965
Net Changes in Fund Balances (Deficit)	222,621	6,092	-	228,713
Fund Balance (Deficit) - July 1, 2022	247,168	177,882	-	425,050
Fund Balance (Deficit) - June 30, 2023	\$ 469,789	\$ 183,974	\$ -	\$ 653,763

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

STELLAR LEADERSHIP ACADEMY, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
AS AT JUNE 30, 2023

Total Net Changes in Fund Balance - Governmental Funds **\$ 228,713**

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

Capital outlays are reported in governmental funds as expenditures however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Cost of Capital Assets Purchased	\$ 337,769	
Provision for Depreciation	<u>(201,489)</u>	136,280

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

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

Principal Repayment of Lease Liability		329,103
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Change in Net Position of Governmental Activities	<u>\$ 366,549</u>	
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The accompanying notes are an integral part of this financial statement.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 – Organization and Nature of Operations

Reporting Entity

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

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

The general operating authority of the Academy is contained in Section 1002.33, Florida Statutes. The current charter is effective until June 30, 2025. The charter may be renewed as provided in Section 1002.33, Florida Statutes, upon mutual consent of the parties and execution of a written renewal. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the Academy in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown.

Criteria for determining if other entities are potential component units which should be reported within the Academy’s basic financial statements are identified and described in the Governmental Accounting Standards Board’s (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the Academy is financially accountable and other organizations for which the nature and significance of their relationship with the Academy are such that exclusion would cause the Academy’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Academy. The Academy is a component unit of the District.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

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

Government-wide and Fund Financial Statements

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

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 2 - Summary of Significant Accounting Policies (Cont.)

Government-wide and Fund Financial Statements (Cont.)

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

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

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

- Nonspendable fund balance - includes amounts that are not in a spendable form or are required to be maintained intact and that are not expected to be converted to cash. The nonspendable fund balance includes deposits totaling \$21,458 at June 30, 2023.
- Restricted fund balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers. There is no restricted fund balance as of June 30, 2023.
- Committed fund balance - includes amounts that can be used only for the specific purposes determined by a formal action of the Academy's highest level of decision-making authority. Commitments may be changed or lifted only by the Academy taking the same formal action that imposed the constraint originally. There is no committed fund balance at June 30, 2023.
- Assigned fund balance - comprises amounts intended to be used by the Academy for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. There is no assigned fund balance at June 30, 2023.
- Unassigned fund balance - the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund. The unassigned fund balance at June 30, 2023 is \$632,305.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 2 - Summary of Significant Accounting Policies (Cont.)

Government-wide and Fund Financial Statements (Cont.)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

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

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

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

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

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

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 2 - Summary of Significant Accounting Policies (Cont.)

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

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

Budgetary Basis of Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, student support services and school administration). Revisions to the annual budget are approved by the Board.

Cash

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

Capital Assets

Capital assets, which includes leased property, computers and equipment, are reported on the government-wide financial statements. Capital assets are defined by the Academy as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. For the year ended June 30, 2023, the Academy recorded net capital assets of \$1,295,012.

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

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

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

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 2 - Summary of Significant Accounting Policies (Cont.)

Revenue Sources

Revenues for current operations are received primarily from the State of Florida passed through the District to the Academy pursuant to the funding provisions included in the Academy's charter. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the Academy reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDE) for funding through the Florida Education Finance Program (FEFP). Funding for the Academy is adjusted during the year to reflect revised calculations by the FDE under the FEFP and actual weighted FTE students reported by the Academy during designated FTE student survey periods.

The Academy receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Use of Estimates

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

Income Taxes

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

Note 3- Concentrations

Cash

Under Chapter 280, Florida Statutes, the Academy's deposits must be placed in banks and savings and loans which are qualified as public depositories. The Academy maintains cash deposits at a bank in Florida. Deposits at the bank are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. Monies deposited in amounts greater than the insurance coverage are secured by the banks pledging securities with the State Treasurer and collateral pool. As of June 30, 2023, bank balances in potential excess of FDIC coverage was approximately \$440,205.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 3- Concentrations (Cont.)

Accounts Receivable

Accounts receivable represent outstanding reimbursements from the following programs below. As of June 30, 2023, the receivable balance is \$152,383.

Description	Amount
ESSER	\$ 48,400
ERC	81,421
Capital Outlay	22,562
Total	<u>\$ 152,383</u>

Note 4 – Capital Assets and Right-to-use Assets

Capital and right-to-use assets activity for the year ended June 30, 2023 was as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital Assets				
Computer Software	\$ 210,423	\$ 92,115	\$ -	\$ 302,538
Furniture, Fixtures and Equipment	955,721	245,654	-	1,201,375
Total Capital Assets	1,166,144	337,769	-	1,503,913
Accumulated Depreciation	(662,504)	(201,489)	-	(863,993)
Capital Assets, Net	<u>503,640</u>	<u>136,280</u>	<u>-</u>	<u>639,920</u>
Right-to-use Assets				
Right-to-use lease asset	1,310,186	-	-	1,310,186
Accumulated Amortization	(327,547)	(327,547)	-	(655,094)
Right-to-use Assets, Net	<u>982,639</u>	<u>(327,547)</u>	<u>-</u>	<u>655,092</u>
Total Capital and Right-to-use Assets, Net	<u>\$ 1,486,279</u>	<u>\$ (191,267)</u>	<u>\$ -</u>	<u>\$ 1,295,012</u>

Depreciation and amortization expense for the year ended June 30, 2023 was \$529,036.

Note 5 – Long Term Liabilities

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

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 5 – Long Term Liabilities (Cont.)

On July 1, 2021, The Academy entered into a lease with an organization for its administrative and classroom space under a non-cancelable operating lease. The lease expires June 30, 2025. Rental expenses under operating leases for the year ended June 30, 2023, were approximately \$343,932. The interest expense was \$14,829 and the amortization of the right to use asset was \$327,547 for the year ended June 30, 2023. The changes in long term liabilities are presented below, followed by the future payments for lease liabilities:

<u>Description</u>	<u>Balance</u> <u>July 1, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2023</u>
Lease Liability	\$ 1,001,992	\$ -	\$ 329,103	\$ 672,889
Total	<u>\$ 1,001,992</u>	<u>\$ -</u>	<u>\$ 329,103</u>	<u>\$ 672,889</u>

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 333,973	\$ 9,959	\$ 343,932
2025	<u>338,916</u>	<u>5,016</u>	<u>343,932</u>
Total	<u>\$ 672,889</u>	<u>\$ 14,975</u>	<u>\$ 687,864</u>

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

Note 6 – Management Agreement

The Charter school has contracted with School Development Service for administrative and educational management services for the operation of the school. All personnel are employees of the Charter School. The contract expires in June 30, 2024 and provides a base fee of \$8,909. The fees paid to the management company for the year ended June 30, 2023, amounted to \$106,909.

Note 7 - Risk Management

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

Note 8 – Subsequent Events

For the year ended June 30, 2023, the Academy has evaluated all subsequent events through September 15, 2023, which is the date the financial statements were available to be issued, and concluded no additional subsequent events have occurred that would require recognition or disclosure in these financial statements that have not already been accounted for.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

Note 9 – Employee Retention Credit

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

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

REQUIRED SUPPLEMENTARY INFORMATION

STELLAR LEADERSHIP ACADEMY, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GENERAL FUND
JUNE 30, 2023
(UNAUDITED)

GENERAL FUND

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variances Positive (Negative)
Revenue				
School Board of Miami- Dade County - FTE	\$2,173,805	\$2,173,805	\$ 2,279,491	\$ 105,686
Capital Grants and Contributions	196,150	196,150	204,006	7,856
Miscellaneous Revenues	131,844	131,844	441,193	309,349
Total Revenue	2,501,799	2,501,799	2,924,690	422,891
Expenditure				
Instruction	686,176	686,176	659,341	26,835
Student Support Services	97,500	97,500	60,791	36,709
School Board	20,500	20,500	38,894	(18,394)
General Administration	95,760	95,760	199,116	(103,356)
School Administration	406,537	406,537	501,037	(94,500)
Fiscal Services	185,000	185,000	92,984	92,016
Student Transportation Services	-	-	36,353	(36,353)
Operation of Plant	761,932	761,932	431,847	330,085
Maintenance of Plant	25,000	25,000	-	25,000
Debt Service				
Principal	-	-	329,103	(329,103)
Interest and Other Charges	-	-	14,834	(14,834)
Capital Outlay:				
Property, Plant and Equipment	-	-	337,769	(337,769)
Total Expenditure	2,278,405	2,278,405	2,702,069	(423,664)
Excess (Deficit) of Revenue over Expenditure	\$ 223,394	\$ 223,394	\$ 222,621	\$ (773)

The accompanying notes are an integral part of this supplementary information.

STELLAR LEADERSHIP ACADEMY, INC.
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GRANT FUND
JUNE 30, 2023
(UNAUDITED)

SPECIAL REVENUE FUND

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts GAAP</u>	<u>Variances Positive (Negative)</u>
Revenue				
Operating Grants and Contributions	\$ 525,521	\$ 525,521	\$ 729,988	\$ 204,467
Total Revenue	<u>525,521</u>	<u>525,521</u>	<u>729,988</u>	<u>204,467</u>
Expenditure				
Instruction	343,088	343,088	555,131	(212,043)
School Administration	-	-	28,282	(28,282)
Food Services	130,000	130,000	139,507	(9,507)
Operation of Plant	-	-	976	(976)
Total Expenditure	<u>473,088</u>	<u>473,088</u>	<u>723,896</u>	<u>(250,808)</u>
Excess (Deficit) of Revenue over Expenditure	<u>\$ 52,433</u>	<u>\$ 52,433</u>	<u>\$ 6,092</u>	<u>\$ (46,341)</u>

The accompanying notes are an integral part of this supplementary information.

STELLAR LEADERSHIP ACADEMY, INC.
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2023
(UNAUDITED)

Budgetary Basis of Accounting

An annual budget is adopted on the Budgets modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

NOTE A.

The Charter School formally adopted a budget for the year ended June 30, 2023. Budgeted amounts may be amended by resolution or ordinance by the Board. A comparison of the actual results of operations to the budgeted amounts for the General Fund is presented as required supplementary information.

NOTE B.

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



THOMAS & COMPANY, C.P.A., P.A.
Certified Public Accountants and Business Consultants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Stellar Leadership Academy, Inc. (the "Academy"), a component unit of the Miami-Dade County District School Board, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Stellar Leadership Academy, Inc.'s basic financial statements, and have issued our report thereon dated September 15, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

A handwritten signature in blue ink that reads "Thomas & Company CPA PA". The signature is written in a cursive, flowing style.

Thomas & Company CPA PA
Cooper City, Florida
September 15, 2023



THOMAS & COMPANY, C.P.A., P.A.
Certified Public Accountants and Business Consultants

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

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

Report on the Financial Statements

We have audited the financial statements of Stellar Leadership Academy, Inc. (the “Academy”), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 15, 2023.

Auditor’s Responsibility

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

Other Reports and Schedules

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report and schedule, which is dated September 15, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are of Stellar Leadership Academy, Inc.- 7015.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3), Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its website information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and Miami-Dade School Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Thomas & Company CPA PA". The signature is written in a cursive, flowing style.

Thomas & Company CPA PA
Cooper City, Florida
September 15, 2023