

ACADEMIC SOLUTIONS HIGH SCHOOL
FORT LAUDERDALE, FLORIDA
(A CHARTER SCHOOL UNDER ACADEMIC
SOLUTIONS ACADEMY, INC.)

**BASIC FINANCIAL STATEMENTS, INDEPENDENT
AUDITOR'S REPORT AND SUPPLEMENTAL
INFORMATION**

JUNE 30, 2021

ACADEMIC SOLUTIONS HIGH SCHOOL
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2021

TABLE OF CONTENTS

	PAGES
General Information.....	1
BASIC FINANCIAL STATEMENTS	
Independent Auditor’s Report.....	2-3
Management’s Discussion and Analysis (not covered by Independent Auditor’s Report).....	4-8
Basic Financial Statements	
<i>Government-wide Financial Statement:</i>	
Statement of Net Position.....	9
Statement of Activities.....	10
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds.....	11
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position.....	12
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	14
<i>Notes to Basic Financial Statements</i>	15-24
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund.....	25
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Special Revenue Fund.....	26
<i>Note to Required Supplementary Information</i>	27
Independent Auditor’s 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>	28-29
Management Letter.....	30-31

ACADEMIC SOLUTIONS HIGH SCHOOL #5028
(A Charter School under Academic Solutions Academy, Inc.)

2000 W. Commercial Blvd., Suite # 132
Fort Lauderdale, Florida 33309.
(954) 572-6600

2020-2021

BOARD OF DIRECTORS

Mr. Mike Aitcheson, Chair
Ms. Karla C. Martinez, Vice Chair
Ms. Nikita D'Souza, Secretary

SCHOOL ADMINISTRATION

Mr. Andrew Kinlock, Principal



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Academic Solutions High School
Fort Lauderdale, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Academic Solutions High School (the "School"), a charter school under Academic Solutions Academy, Inc., as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and budgetary comparison information on pages 25 through 26 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 29, 2021, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 29, 2021

Management’s Discussion and Analysis
Academic Solutions High School #5028
June 30, 2021

The corporate officers of Academic Solutions High School #5028 (the “School”) have prepared this narrative overview and analysis of the School’s financial activities for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

1. The assets of the School exceeded its liabilities at June 30, 2021 by \$807,099 (net position).
2. At year-end, the School had current assets of \$916,612.
3. The School’s fund balance at the end of the year is \$778,226.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business.

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

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

The government-wide financial statements can be found on pages 9 – 10 of this report.

Fund Financial Statements

A “fund” is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements. All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 11 - 14 of this report.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 15 - 24 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2021 and 2020 follows:

Assets	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 689,169	\$ 444,052
Due from other agencies	-	2,949
Due from Academic Solutions Academy - A	44,472	-
Due from Academic Solutions Academy, Inc.	182,167	238,847
Prepaid expenses and other current assets	804	-
Capital assets, net	28,873	5,987
Total Assets	<u>\$ 945,485</u>	<u>\$ 691,835</u>
Liabilities and Net Position		
Accounts payable and accrued liabilities	\$ 4,654	\$ 5,108
Due to Academic Solutions Academy - A	-	44,303
Due to District	133,732	133,732
Note payable	-	37,095
Total Liabilities	<u>138,386</u>	<u>220,238</u>
Net Investment in capital assets	28,873	5,987
Unrestricted	778,226	465,610
Total Net Position	<u>807,099</u>	<u>471,597</u>
Total Liabilities and Net Position	<u>\$ 945,485</u>	<u>\$ 691,835</u>

At June 30, 2021, the School's total assets were \$945,485 and total liabilities were \$138,386. At June 30, 2021, the School reported total net position of \$807,099.

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

REVENUES	<u>2021</u>	<u>2020</u>
Capital outlay funding	\$ 92,428	\$ 77,504
Federal passed through state	40,280	-
General Revenues		
State sources	1,180,942	1,039,359
Local and other revenues	128,634	13,482
Total Revenues	<u>\$ 1,442,284</u>	<u>\$ 1,130,345</u>
EXPENSES		
Instruction	\$ 320,559	\$ 290,568
Student and instructional support services	36,976	36,931
General administration	75,245	207,801
School administration	516,249	529,090
Board	11,641	9,500
Pupil transportation services	-	14,400
Operation of plant	126,199	191,094
Maintenance of plant	1,060	3,552
Administrative technology services	18,853	20,370
Total Expenses	<u>\$ 1,106,782</u>	<u>\$ 1,303,306</u>
Change in Net Position	335,502	(172,961)
Net Position at Beginning of Year	<u>471,597</u>	<u>644,558</u>
Net Position at End of Year	<u>\$ 807,099</u>	<u>\$ 471,597</u>

The School's total revenues for the year ended June 30, 2021 were \$1,442,284 while its total expenses were \$1,106,782 for a net increase of \$335,502. The School's total revenues increased due to Federal funding received under the CARES Act and to the forgiveness of the School's paycheck protection program loan of \$125,925, which is reflected as other revenue. The School's expenses decreased due to less management fees charged by the management company.

ACCOMPLISHMENTS

Academic Solutions Academy (ASA) has consistently worked with High-Needs students for the past eight years. Within that time frame, ASA successfully assisted students with passing their standardized tests, improving academic levels, culminating with students successfully meeting their graduation requirements.

ACCOMPLISHMENTS (Continued)

In response to COVID-19, ASA administrators, staff, and students did an exceptional job transitioning to 100% distant learning. The teachers and students worked diligently to complete the school year with many students re-engaging themselves in school. The manner in which ASA responded to the pandemic gave the student population the flexibility necessary to reassess priorities and refocus their energy on completing classwork.

ASA proudly graduated 30.2% of its seniors and many of the graduates received scholarships that were funded by donations raised during our annual Community Champion Awards Dinner. We are pleased to see students successfully graduate and attend esteemed universities such as Florida International University and Florida Atlantic University.

Additionally, the majority of ASA graduates' transition to post-secondary institutions, technical schools, and military programs, or become gainfully employed. The academic experiences we provide are designed to inspire our students to achieve their career goals. It is also important to note that ASA received an "M" grade which denotes (Maintaining) for the second year in a row under the School Improvement Rating (SIR) program. To qualify for the "M" mark, a school must test with a minimum 80% score or better as evidenced by significant academic gains. We are honored to receive the "M" designation considering only 22 out of 282 (SIR) Schools received that grade in the State of Florida. In Broward County, only four SIR schools received the "M" grade and ASA and ASA-A were two out of the four. This demonstrates that our staff and teachers remain dedicated to deliver excellence and the recognition is a byproduct of our overarching due diligence.

ASA is also proud to announce that it is strategizing to secure a new facility for the upcoming school year. ASA is working with Building Hope to accomplish this goal. Moreover, ASA maintained high quality educational standards, which is evidenced by the renewal of its Accreditation in (2021) by COGNIA, formerly known as AdvanceEd. In addition, ASA received a favorable review on its Academic Program Review (APR), which was initiated by Broward County Public Schools (BCPS). ASA is humbled by its achievements, which are a testament to our commitment to academic excellence and student success. ASA will continue to strive to provide a high-quality education to all students so they can reach their full potential and become productive citizens.

SCHOOL LOCATION

The School currently operates in the Broward area located at 2000 W Commercial Blvd, Suite 132, Fort Lauderdale, FL 33309.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

GOVERNMENTAL FUNDS

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

GOVERNMENTAL FUNDS (Continued)

At the end of the fiscal year, the School's governmental funds reported a combined fund balance of \$778,226 and an increase in fund balance of \$275,521 for the year ended June 30, 2021.

CAPITAL ASSETS

The School's investment in capital assets, as of June 30, 2021, amounts to \$28,873 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, and furniture, fixtures and equipment.

NOTE PAYABLE

The School, through Academic Solutions Academy, Inc., received allocated loan proceeds of \$37,095 through the Paycheck Protection Program in May 2020. During the year ended June 30, 2021, additional proceeds of \$88,830 were allocated. The loan and accrued interest are forgivable in whole or in part if used for qualifying expenses in accordance with the Paycheck Protection Program. During the year ended June 30, 2021, Academic Solutions Academy, Inc. applied for and received forgiveness of the loan in its entirety. There were no amounts owed by the School at June 30, 2021.

BUDGETARY HIGHLIGHTS

The general fund and capital projects fund budget for the fiscal year ended June 30, 2021 was developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Refer to the Budgetary Comparison Schedules on pages 25 to 26 for additional information.

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State sources			
Categorical programs and other	\$ 1,357,586	1,357,586	\$ 1,180,942
Capital outlay funding	102,000	102,000	92,428
Federal passed through state	-	40,280	40,280
Local and other income	20,600	20,600	2,709
TOTAL REVENUES	<u>\$ 1,480,186</u>	<u>\$ 1,520,466</u>	<u>\$ 1,316,359</u>
EXPENDITURES			
Instruction	\$ 426,384	\$ 426,384	\$ 320,559
Student and instructional support services	41,265	41,265	36,976
General administration	114,296	114,296	75,245
School administration	609,554	609,554	509,903
Board	9,500	9,500	11,641
Pupil transportation services	22,000	22,000	-
Operation of plant	216,517	216,517	125,623
Maintenance of plant	13,200	13,200	1,060
Administrative technology services	24,000	24,000	18,853
Other capital outlay	-	-	29,808
TOTAL EXPENDITURES	<u>\$ 1,476,716</u>	<u>\$ 1,476,716</u>	<u>\$ 1,129,668</u>
Change in fund balance before other financing sources	3,470	43,750	186,691
Other financing sources	29,305	88,830	88,830
Net change in fund balance	<u>\$ 32,775</u>	<u>\$ 132,580</u>	<u>\$ 275,521</u>

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the School. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Vice President of Business Development, Academic Solutions Academy, 2000 W Commercial Blvd, Fort Lauderdale, FL 33309.

**ACADEMIC SOLUTIONS HIGH SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2021**

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 689,169
Due from Academic Solutions Academy - A	44,472
Due from Academic Solutions Academy, Inc.	182,167
Prepaid expenses and other current assets	<u>804</u>
TOTAL CURRENT ASSETS	916,612
CAPITAL ASSETS, NET	
Building improvements	35,722
Less accumulated depreciation	(35,244)
Furniture and equipment	169,720
Less accumulated depreciation	<u>(141,325)</u>
Total capital assets, net	<u>28,873</u>
TOTAL ASSETS	<u>\$ 945,485</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued expenses	\$ 4,654
Due to District	<u>133,732</u>
TOTAL CURRENT LIABILITIES	138,386
TOTAL LIABILITIES	<u>138,386</u>
NET POSITION	
Net investment in capital assets	28,873
Unrestricted	<u>778,226</u>
TOTAL NET POSITION	<u>807,099</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 945,485</u>

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

**ACADEMIC SOLUTIONS HIGH SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 320,559	\$ -	\$ -	\$ -	\$ (320,559)
Student and instructional support services	36,976	-	-	-	(36,976)
General administration	75,245	-	-	-	(75,245)
School administration	516,249	-	37,556	-	(478,693)
Board	11,641	-	-	-	(11,641)
Operation of plant	126,199	-	2,724	92,428	(31,047)
Maintenance of plant	1,060	-	-	-	(1,060)
Administrative technology services	18,853	-	-	-	(18,853)
Total Governmental Activities	\$1,106,782	\$ -	\$ 40,280	\$ 92,428	\$ (974,074)
GENERAL REVENUES:					
					\$ 1,180,942
					128,634
					<u>1,309,576</u>
					335,502
					<u>471,597</u>
					<u>\$ 807,099</u>

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

**ACADEMIC SOLUTIONS HIGH SCHOOL
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Governmental Fund</u>
ASSETS	
Cash and cash equivalents	\$ 689,169
Due to Academic Solutions Academy - A	44,472
Due from Academic Solutions Academy, Inc.	182,167
Prepaid expenses and other current assets	804
TOTAL ASSETS	<u><u>\$ 916,612</u></u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accrued expenses	\$ 4,654
Due to District	133,732
TOTAL LIABILITIES	<u>138,386</u>
FUND BALANCE	
Non-spendable	804
Unassigned	777,422
TOTAL FUND BALANCE	<u>778,226</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 916,612</u></u>

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

**ACADEMIC SOLUTIONS HIGH SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2021**

Total Fund Balance - Governmental Funds \$ 778,226

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Capital assets	205,442
Accumulated depreciation	<u>(176,569)</u>

Total Net Position - Governmental Activities \$ 807,099

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

**ACADEMIC SOLUTIONS HIGH SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
State sources				
Categorical programs and other	\$ 1,180,942	\$ -	\$ -	\$ 1,180,942
Capital outlay funding	-	-	92,428	92,428
Federal passed through state	-	40,280	-	40,280
Local and other revenue	2,709	-	-	2,709
TOTAL REVENUES	\$ 1,183,651	\$ 40,280	\$ 92,428	\$ 1,316,359
EXPENDITURES				
Current:				
Instruction	\$ 231,729	\$ 88,830	\$ -	\$ 320,559
Student and instructional support services	36,976	-	-	36,976
General administration	75,245	-	-	75,245
School administration	472,347	37,556	-	509,903
Board	11,641	-	-	11,641
Operation of plant	30,471	2,724	92,428	125,623
Maintenance of plant	1,060	-	-	1,060
Administrative technology services	18,853	-	-	18,853
Capital Outlay:				
Other capital outlay	29,808	-	-	29,808
TOTAL EXPENDITURES	\$ 908,130	\$ 129,110	\$ 92,428	\$ 1,129,668
Excess (deficiency) of revenues over expenditures	275,521	(88,830)	-	186,691
OTHER FINANCING SOURCES				
Proceeds from note payable	-	88,830	-	88,830
Total other financing sources	-	88,830	-	88,830
NET CHANGE IN FUND BALANCE	275,521	-	-	275,521
Fund balance at beginning of year	502,705	-	-	502,705
Fund balance at end of year	\$ 778,226	\$ -	\$ -	\$ 778,226

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

**ACADEMIC SOLUTIONS HIGH SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Change in Fund Balance - Governmental Funds	\$	275,521
---	----	---------

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays	29,808
Depreciation expense	(6,922)

Proceeds from issuance of long-term debt are reported as an other financing source in the governmental funds. However, in the statement of net position, the amount of funds borrowed is reported as an increase in notes payable and gains on debt extinguishment is reported as income in the statement of activities once forgiven.

Gain on debt extinguishment	37,095
-----------------------------	--------

Change in Net Position of Governmental Activities	\$	335,502
---	----	---------

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

**ACADEMIC SOLUTIONS HIGH SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Academic Solutions High School #5028 (the “School”), is a charter school under Academic Solutions Academy, Inc. (“Corporate”), a not-for-profit corporation, organized pursuant to Chapter 617, of the Florida Statutes, the Florida Not for Profit Corporation Act, and Section 1002.33, of the Florida Statutes. The governing body of the School is the Board of Directors of Academic Solutions Academy, Inc. The charter provides that the day-to-day financial management and internal accounting procedures of the Charter School are under the purview of the management of the Charter School.

The basic financial statements of the School present only the balances, activity, and disclosures related to the School. The basic financial statements do not purport to, and do not, present fairly the financial position of Academic Solutions Academy, Inc. as of June 30, 2021, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, the School’s basic financial statements do not include the activity or accounts of Academic Solutions Academy - A, whose charter is also held by Academic Solutions Academy, Inc.

The general operating authority of the School is contained in Section 1002.33, of the Florida Statutes. The Charter School operates under a charter of the sponsoring school district, The School Board of Broward County, Florida (the "District"). The current charter is effective until June 30, 2022 and may be renewed for such duration as may be established by mutual written agreement between the School and the District. 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 School 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. The School is considered a component unit of The School Board of Broward County, Florida.

These financial statements are for the year ended June 30, 2021, when approximately 172 students were enrolled in grades 9 – 12.

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

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

**ACADEMIC SOLUTIONS HIGH SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

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, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

General Fund – is the School’s primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources used that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*”. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**ACADEMIC SOLUTIONS HIGH SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay). Any revisions to the annual budget are approved by the Board.

Cash and Cash Equivalents

The School's cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

Due From Other Agencies

Due from other agency consists of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the component unit financial statements. Property, plant, and equipment with initial individual costs that equal or exceed \$1,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. Property, plant, and equipment are depreciated using the straight-line method over the following estimated lives:

Computer equipment	3 years
School equipment	7 years
Leasehold improvements	7 years
Furniture and equipment	5 years

Compensated Absences

Full time employees of the School, after 90 days of employment, are entitled to be paid for five or eight days of paid time off in each calendar year, depending on whether they are exempt or non-exempt employees, respectively. In the event of termination, each qualifying employee is not entitled to receive payment for accumulated unused paid time off.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated days available to be used in future benefit years.

Deferred Outflows/Inflows of Resources

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

**ACADEMIC SOLUTIONS HIGH SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Fund Net Position

Government-wide fund net position are divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2021, was \$28,873.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2021 was \$0.
- Unrestricted – all other net position is reported in this category, including amounts due from affiliates and charter schools.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2021, the School’s nonspendable fund balance was \$804.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2021, there is no restricted fund balance.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s Board of Directors. At June 30, 2021, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2021, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First, Non-spendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2021, there are no minimum fund balance requirements for any of the School’s funds.

**ACADEMIC SOLUTIONS HIGH SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Broward County (the “School Board”) 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 Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE 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 for leasing of School facilities.

The basic amount of funding through the FEFP under Section 1011.62 is the product of (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in the Florida Statutes. For the fiscal year ended June 30, 2021, the School reported 172 unweighted FTE and 176.0102 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.035, Florida Statutes, and Rule SA-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until completion of an FTE audit:

- Attendance and membership documentation
- Teacher certificates and other certification documentation
- Documentation for instructors teaching out-of-field
- Procedural safeguards for weighted programs
- Evaluation and planning documents for weighted programs

The School may receive federal or state awards for the enhancement of various education programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

A schedule of revenue sources for the current year is presented in a subsequent note. See Note 8.

Income Taxes

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

Use of Estimates

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

**ACADEMIC SOLUTIONS HIGH SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 29, 2021, which is the date the financial statements were available to be issued.

NOTE 3 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2021 is as follows:

	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
Capital assets				
Building improvements	\$ 35,722	\$ -	\$ -	\$ 35,722
Furniture, fixtures and equipment	139,912	29,808	-	169,720
Total capital assets	<u>175,634</u>	<u>29,808</u>	<u>-</u>	<u>205,442</u>
Less accumulated depreciation				
Building improvements	(34,668)	(576)	-	(35,244)
Furniture, fixtures and equipment	(134,979)	(6,346)	-	(141,325)
Total accumulated depreciation	<u>(169,647)</u>	<u>(6,922)</u>	<u>-</u>	<u>(176,569)</u>
Capital assets, net	<u>\$ 14,961</u>	<u>\$ 22,886</u>	<u>\$ -</u>	<u>\$ 28,873</u>

Depreciation for the year ended June 30, 2021 totaled \$6,922, of which \$576 was allocated to operation of plant and \$6,346 was allocated to school administration.

NOTE 4 – MANAGEMENT STRUCTURE

Academic Solutions Academy, Inc. (“Corporate”) manages and operates the School and a separate charter school, Academic Solutions Academy – A (“ASA-A”). The Board of Directors of Corporate enter into employment contracts with personnel of the School and ASA-A. Contracts with instructional and non-instructional personnel are renewed and approved by the Board of Directors annually. The employment contracts with the Principal and Vice President of Business Development (“Executive Positions”) are effective through June 30, 2022 or until employment is terminated. Executive Positions are compensated at rates that are in accordance with the Board of Director’s Approved Salary Schedule, which is included in the contract for each fiscal year end under the contract term. The base salary and bonus in the Approved Salary Schedule are contingent upon school enrollment. The School pays the salaries of all personnel and is reimbursed by ASA-A for their agreed upon portion of salaries.

The Board of Directors of Corporate, via Board resolution, approved the management and consulting services that Corporate will provide to the School. The resolution calls for management fees of 10 – 14% of all receipts other than debt financings or grants restricted for specific purposes to be charged to the School for these services. There were no amounts charged by Corporate for management fees for the year ended June 30, 2021.

**ACADEMIC SOLUTIONS HIGH SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 5 –RELATED PARTY TRANSACTIONS

At June 30, 2021, the basic financial statements include an amount due from ASA-A for shared administrative costs totaling \$44,472. See Note 4.

The School was allocated loan proceeds from Corporate during the year ended June 30, 2021. See Note 7.

At June 30, 2021, the basic financial statements include an amount due from Corporate totaling \$182,167.

The School shares its facilities with ASA-A and pays their share of facility costs based upon an agreed upon fee per square footage used. See Note 12.

NOTE 6 – DUE TO DISTRICT

Revenues for operations are received primarily from the District School Board of Broward County (the “District”) pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Funding provided by the District to the School is based on the number of FTE students reported. During the year ended June 30, 2019, the District conducted an audit of the number of FTE students reported by the School during the fiscal year 2017-2018. The District audit noted discrepancies in the number of FTE students reported, resulting in a potential FTE overpayment of \$614,770 to be repaid by the School. The School disagreed and conducted an audit with an independent contractor, which resulted in a potential liability of \$133,732. In accordance with GASB Codification Section C50, *Claims and Judgements*, the School has recorded the minimum amount of \$133,732 as a liability due to the District at June 30, 2021. As of the date of the financial statements, the School and the District have not come to an agreement or arrangement of the amounts owed and the matter remains unresolved. Accordingly, the actual amount due may be as recorded or a greater amount up to the \$614,770 claimed by the District.

NOTE 7 – NOTE PAYABLE

In May 2020, Corporate entered into a note payable agreement and received loan proceeds from a financial institution through the Paycheck Protection Program (“PPP”). A portion of these proceeds were allocated to the School and ASA under the same terms. The School received allocated proceeds of \$37,095 in the prior year. During the year ended June 30, 2021, additional loan proceeds of \$88,830 were allocated to the School, which are reflected as other financing sources on the statement of revenues, expenditures and changes in fund balance.

The loan bears annual interest at 1% with a maturity date of May 2022. The loan and accrued interest are forgivable in whole or in part if used for qualifying expenses, such as payroll, rent and utilities. The loan is payable monthly with a deferral of payments for unforgiven amounts based on the timing of the forgiveness application. During the year ended June 30, 2021, Corporate submitted the forgiveness application within the deferral period and received notification that the loan and any accrued interest had been forgiven in its entirety. As a result, the School has reported the loan forgiveness of \$125,925 in other revenues in the accompanying statement of activities during the year ended June 30, 2021. On the statement of revenues, expenditures and changes in fund balance for the year ended June 30, 2021, only the loan proceeds allocated and provided to the School of \$88,830 during the year are included as other financing sources.

There are no balances owed by the School related to the note payable as of June 30, 2021.

**ACADEMIC SOLUTIONS HIGH SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 8 – DEPOSITS POLICY AND CREDIT RISK

It is the School’s policy to maintain its cash and cash equivalents in major banks. As of June 30, 2021, the School’s deposits consisted of cash balances of \$697,540. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Academic Solutions Academy, Inc., which also operates another charter school. All bank accounts are opened under the account ownership of Academic Solutions Academy, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2021, the School’s bank balances in potential excess of FDIC coverage were \$447,540.

NOTE 9 – FEDERAL, STATE AND LOCAL REVENUE SOURCES

The following is a schedule of the School's Federal, State and Local revenues for the year ended June 30, 2021.

<u>Sources</u>	<u>Amount</u>
State:	
Florida Education Finance Program	\$ 770,664
Categorical Education Programs:	
Class Size Reduction	159,444
Supplementary Academic Instruction	38,096
Instructional Material	13,356
Safe School	10,674
Transportation	20,776
ESE Guaranteed Allocation	26,623
Discretionary Lottery	-
Digital Classroom	110
Reading Allocation	7,102
Funding Compression Allocation	905
Mental Health	5,852
Capital Outlay	92,428
Teacher Salary Allocation	25,127
Florida Teachers Lead Program	2,255
Discretionary Local Efforts	99,958
Total State Revenues	<u>1,273,370</u>
Federal:	
School Hardening Grant	2,724
Elementary and Secondary School Emergency Relief Fund	37,556
Total Federal Revenues	<u>40,280</u>
Local and other revenue:	
Loan forgiveness Paycheck Protection Program	66,399
Other	2,709
Total Local Revenues	<u>69,108</u>
Total Federal, State, and Local Revenues	<u>\$ 1,382,758</u>

As provided in the charter school contract, the District has charged the School an administrative fee equal to 5% of the total funding or \$57,669, which is reflected in fiscal services expense/expenditures in the accompanying statement of activities and statement of revenues, expenditures, and changes in fund balance-governmental fund.

**ACADEMIC SOLUTIONS HIGH SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 10 – RISK MANAGEMENT

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

NOTE 11 – GRANTS

In the normal course of operations, the School receives grant funds from various federal, state, and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement resulting from which may arise as the result of these audits is not reflected in these financial statements, except for amount disclosed in Note 6.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Leases

Corporate entered into an agreement to lease the facilities in which the School operates through June 30, 2026. Rent expense for the year ended June 30, 2021 was \$66,313. The School shares these facilities with ASA-A (See Note 4) and pays their portion of the lease based on the rent per square foot occupied as stated in the agreement. Future minimum payments under this lease agreement for the School are as follows:

<u>Year ended June 30,</u>	
2022	\$ 68,313
2023	70,349
2024	72,456
2025	74,634
2026	76,884
	<u>\$ 362,636</u>

Legal Matters

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

Funding Concentrations

The School receives substantially all of its support and revenue from the federal, state, and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

NOTE 13 – DEFINED CONTRIBUTION RETIREMENT PLAN

The School's personnel are eligible to participate in a defined contribution 401(k) plan sponsored by their payroll company, covering employees who meet certain requirements. Employees may elect to have a portion of their salary deferred and contributed to the plan. The School does not make any contributions to the plan and has no liability related to the plan. All employee contributions to the plan are vested immediately.

**ACADEMIC SOLUTIONS HIGH SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 14 – OTHER MATTERS

The World Health Organization (“WHO”) has declared the coronavirus (COVID-19) a global pandemic and public health emergency. At this point, the School cannot reasonably estimate the extent to which this disruption may continue to impact the School’s financial statements and future results of operations.

REQUIRED SUPPLEMENTAL INFORMATION

**ACADEMIC SOLUTIONS HIGH SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State sources			
Categorial programs and other	\$ 1,357,586	\$ 1,357,586	\$ 1,180,942
Local and other revenue	20,600	20,600	2,709
TOTAL REVENUES	<u>1,378,186</u>	<u>1,378,186</u>	<u>1,183,651</u>
EXPENDITURES			
Instruction	426,384	337,554	231,729
Student and instructional support services	41,265	41,265	36,976
General administration	114,296	114,296	75,245
School administration	609,554	571,998	472,347
Board	9,500	9,500	11,641
Pupil transportation services	22,000	22,000	-
Operation of plant	133,112	130,388	30,471
Maintenance of plant	13,200	13,200	1,060
Administrative technology services	5,405	5,405	18,853
Other capital outlay	-	-	29,808
TOTAL EXPENDITURES	<u>1,374,716</u>	<u>1,245,606</u>	<u>908,130</u>
Change in fund balance before other financing sources	3,470	132,580	275,521
Other financing sources	<u>29,305</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 32,775</u>	<u>\$ 132,580</u>	<u>\$ 275,521</u>

See accompanying note to the required supplemental information.

**ACADEMIC SOLUTIONS HIGH SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Special Revenue Fund</u>		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Federal passed through state	\$ -	\$ 40,280	\$ 40,280
TOTAL REVENUE	<u>-</u>	<u>40,280</u>	<u>40,280</u>
EXPENDITURES			
Instruction	\$ -	\$ 88,830	\$ 88,830
School administration	-	37,556	37,556
Operation of plant	-	2,724	2,724
TOTAL EXPENDITURES	<u>-</u>	<u>129,110</u>	<u>129,110</u>
Change in fund balance before other financing sources	-	(88,830)	(88,830)
Other financing sources	<u>-</u>	<u>88,830</u>	<u>88,830</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to the required supplemental information.

**ACADEMIC SOLUTIONS HIGH SCHOOL
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2021, has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).



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

Board of Directors of
Academic Solutions High School
Fort Lauderdale, 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, each major fund, and the aggregate remaining fund information of Academic Solutions High School (the “School”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated September 29, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Compliance and Other Matters

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

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.

A handwritten signature in blue ink that reads "Veedy-DeArmas Turpile".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 29, 2021



Verdeja • De Armas • Trujillo

Certified Public Accountants and Advisors

Octavio F. Verdeja, Founder - 1971



Manny Alvarez, C.P.A.
Monique Bustamante, C.P.A.
Pedro M. De Armas, C.P.A.
Eric E. Santa Maria, C.P.A.
Alejandro M. Trujillo, C.P.A.
Octavio A. Verdeja, C.P.A.
Tab Verdeja, C.P.A.

Michelle del Sol, C.P.A.
Cristy C. Rubio, C.P.A.
Tommy Trujillo, C.P.A.
Javier Verdeja, C.P.A.

MANAGEMENT LETTER

Board of Directors of
Academic Solutions High School
Fort Lauderdale, Florida

Report on the Financial Statements

We have audited the financial statements of Academic Solutions High School (the "School"), a charter school under Academic Solutions Academy, Inc., as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 29, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent 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. Disclosures in that report, which is dated September 29, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education to be disclosed in this management letter. The official title and the school code of the entity assigned by the Florida Department of Education is Academic Solutions High School, #065028.

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 condition(s) 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. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2021 is not deteriorating.

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 note any such findings.

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 the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website 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, 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 our audit, we did not have 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 the School Board of Broward County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 29, 2021