

EXCEL ACADEMY CHARTER SCHOOLS

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2022

Operated by:

**Excel Academy Charter School – Helendale – Charter #2073
Excel Academy Charter School – Warner – Charter #2053**



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Excel Academy Charter Schools
Irvine, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Excel Academy Charter Schools (the School), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Excel Academy Charter Schools and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

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 the School's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

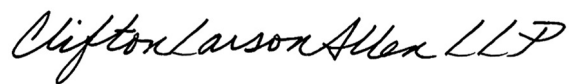
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School’s financial statements as a whole. The Excel - Helendale, Excel - Warner, and Eliminations columns in the statements of financial position, activities, and cash flows as well as the supplementary information (as identified in the table of contents) accompanying supplementary schedules, and the accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and, except for the portion marked “unaudited”, was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The Local Education Agency Organization Structure, which is marked “unaudited”, has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated December 13, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
December 13, 2022

**EXCEL ACADEMY CHARTER SCHOOLS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022**

ASSETS	<u>Excel - Helendale</u>	<u>Excel - Warner</u>	<u>Eliminations</u>	<u>Total</u>
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 948,841	\$ 3,581,032	\$ -	\$ 4,529,873
Accounts Receivable	1,335,310	697,778	-	2,033,088
Intercompany Receivables	-	126,953	(126,953)	-
Prepaid Expenses and Other Assets	12,145	28,339	-	40,484
Total Current Assets	<u>\$ 2,296,296</u>	<u>\$ 4,434,102</u>	<u>\$ (126,953)</u>	<u>\$ 6,603,445</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable and Accrued Liabilities	\$ 177,440	\$ 220,589	\$ -	\$ 398,029
Deferred Revenue	55,009	140,903	-	195,912
Intercompany Payables	126,953	-	(126,953)	-
Revolving Promissory Note	-	1,123,772	-	1,123,772
Loans Payable	-	62,502	-	62,502
Total Current Liabilities	<u>359,402</u>	<u>1,547,766</u>	<u>(126,953)</u>	<u>1,780,215</u>
LONG-TERM LIABILITIES				
Loans Payable	-	62,494	-	62,494
Total Long-Term Liabilities	<u>-</u>	<u>62,494</u>	<u>-</u>	<u>62,494</u>
NET ASSETS				
Net Assets Without Donor Restrictions	<u>1,936,894</u>	<u>2,823,842</u>	<u>-</u>	<u>4,760,736</u>
Total Net Assets	<u>1,936,894</u>	<u>2,823,842</u>	<u>-</u>	<u>4,760,736</u>
Total Liabilities and Net Assets	<u>\$ 2,296,296</u>	<u>\$ 4,434,102</u>	<u>\$ (126,953)</u>	<u>\$ 6,603,445</u>

See accompanying Notes to Financial Statements.

**EXCEL ACADEMY CHARTER SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	<u>Excel - Helendale</u>	<u>Excel - Warner</u>	<u>Total</u>
REVENUES, WITHOUT DONOR RESTRICTIONS			
State Revenue:			
State Aid	\$ 5,699,685	\$ 10,758,971	\$ 16,458,656
Other State Revenue	1,094,443	2,152,292	3,246,735
Federal Revenue:			
Grants and Entitlements	320,346	583,596	903,942
Local Revenue:			
In-Lieu Property Tax Revenue	97,556	824,614	922,170
Investment Income	-	7,844	7,844
Forgiveness of Loan Payable	290,594	731,620	1,022,214
Other Revenue	80,758	279,619	360,377
Total Revenues	<u>7,583,382</u>	<u>15,338,556</u>	<u>22,921,938</u>
EXPENSES			
Program Services	5,851,115	12,464,904	18,316,019
Management and General	400,755	549,608	950,363
Total Expenses	<u>6,251,870</u>	<u>13,014,512</u>	<u>19,266,382</u>
CHANGE IN NET ASSETS	1,331,512	2,324,044	3,655,556
Net Assets Without Donor Restrictions - Beginning of Year	<u>605,382</u>	<u>499,798</u>	<u>1,105,180</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	<u><u>\$ 1,936,894</u></u>	<u><u>\$ 2,823,842</u></u>	<u><u>\$ 4,760,736</u></u>

See accompanying Notes to Financial Statements.

**EXCEL ACADEMY CHARTER SCHOOLS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

	Excel - Helendale	Excel - Warner	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in Net Assets	\$ 1,331,512	\$ 2,324,044	\$ -	\$ 3,655,556
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:				
Forgiveness of Loan Payable	(290,594)	(731,620)	-	(1,022,214)
(Increase) Decrease in Assets:				
Accounts Receivable	611,286	3,478,811	-	4,090,097
Intercompany Receivables	700,000	(126,953)	(573,047)	-
Prepaid Expenses and Other Assets	43,416	92,318	-	135,734
Increase (Decrease) in Liabilities:				
Accounts Payable and Accrued Liabilities	26,785	(518,493)	-	(491,708)
Deferred Revenue	(85,162)	(192,426)	-	(277,588)
Intercompany Payables	126,953	(700,000)	573,047	-
Net Cash Provided by Operating Activities	<u>2,464,196</u>	<u>3,625,681</u>	<u>-</u>	<u>6,089,877</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of Factored Receivables Liability	(2,205,000)	(5,126,228)	-	(7,331,228)
Borrowings of Revolving Promissory Note	-	4,500,000	-	4,500,000
Repayments of Debt	-	(62,502)	-	(62,502)
Net Cash Used by Financing Activities	<u>(2,205,000)</u>	<u>(688,730)</u>	<u>-</u>	<u>(2,893,730)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	259,196	2,936,951	-	3,196,147
Cash and Cash Equivalents - Beginning of Year	<u>689,645</u>	<u>644,081</u>	<u>-</u>	<u>1,333,726</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 948,841</u>	<u>\$ 3,581,032</u>	<u>\$ -</u>	<u>\$ 4,529,873</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash Paid for Interest	<u>\$ 179,955</u>	<u>\$ 186,919</u>	<u>\$ -</u>	<u>\$ 366,874</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES				
Forgiveness of Loan Payable	<u>\$ 290,594</u>	<u>\$ 731,620</u>	<u>\$ -</u>	<u>\$ 1,022,214</u>

See accompanying Notes to Financial Statements.

**EXCEL ACADEMY CHARTER SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	Excel - Helendale		
	Program Services	Management and General	Total
Salaries and Wages	\$ 2,819,514	\$ 133,312	\$ 2,952,826
Pension Expense	402,549	30,299	432,848
Other Employee Benefits	279,457	23,482	302,939
Payroll Taxes	54,890	4,132	59,022
Management Fees	173,983	-	173,983
Legal Expenses	40,538	-	40,538
Accounting Expenses	13,632	-	13,632
Instructional Materials	787,996	-	787,996
Other Fees for Services	875,083	203,535	1,078,618
Advertising and Promotion Expenses	3,173	-	3,173
Office Expenses	5,701	5,995	11,696
Information Technology Expenses	84,197	-	84,197
Occupancy Expenses	25,722	-	25,722
Travel Expenses	9,593	-	9,593
Interest Expense	179,955	-	179,955
Insurance Expense	12,912	-	12,912
Other Expenses	82,220	-	82,220
	<u>\$ 5,851,115</u>	<u>\$ 400,755</u>	<u>\$ 6,251,870</u>
Total Expenses by Function			
	Excel - Warner		
	Program Services	Management and General	Total
Salaries and Wages	\$ 6,049,599	\$ 333,328	\$ 6,382,927
Pension Expense	811,242	70,543	881,785
Other Employee Benefits	681,453	56,374	737,827
Payroll Taxes	114,869	9,989	124,858
Management Fees	37,137	-	37,137
Legal Expenses	86,868	-	86,868
Accounting Expenses	18,241	-	18,241
Instructional Materials	1,416,635	-	1,416,635
Other Fees for Services	2,505,594	65,387	2,570,981
Advertising and Promotion Expenses	3,690	-	3,690
Office Expenses	14,917	13,987	28,904
Information Technology Expenses	180,380	-	180,380
Occupancy Expenses	60,032	-	60,032
Travel Expenses	31,449	-	31,449
Interest Expense	186,919	-	186,919
Insurance Expense	59,411	-	59,411
Other Expenses	206,468	-	206,468
	<u>\$ 12,464,904</u>	<u>\$ 549,608</u>	<u>\$ 13,014,512</u>
Total Expenses by Function			

See accompanying Notes to Financial Statements.

**EXCEL ACADEMY CHARTER SCHOOLS
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Total		
	Program Services	Management and General	Total
Salaries and Wages	\$ 8,869,113	\$ 466,640	\$ 9,335,753
Pension Expense	1,213,791	100,842	1,314,633
Other Employee Benefits	960,910	79,856	1,040,766
Payroll Taxes	169,759	14,121	183,880
Management Fees	211,120	-	211,120
Legal Expenses	127,406	-	127,406
Accounting Expenses	31,873	-	31,873
Instructional Materials	2,204,631	-	2,204,631
Other Fees for Services	3,380,677	268,922	3,649,599
Advertising and Promotion Expenses	6,863	-	6,863
Office Expenses	20,618	19,982	40,600
Information Technology Expenses	264,577	-	264,577
Occupancy Expenses	85,754	-	85,754
Travel Expenses	41,042	-	41,042
Interest Expense	366,874	-	366,874
Insurance Expense	72,323	-	72,323
Other Expenses	288,688	-	288,688
	<u>\$ 18,316,019</u>	<u>\$ 950,363</u>	<u>\$ 19,266,382</u>
Total Expenses by Function			

See accompanying Notes to Financial Statements.

**EXCEL ACADEMY CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Excel Academy Charter Schools (the School) consists of two charter schools and is part of a nonprofit benefit corporation under the laws of the state of California. As of June 30, 2022, the School operated the following charter schools:

- Excel Academy Charter School – Helendale
- Excel Academy Charter School – Warner

Basis of Accounting

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

Costs of providing the School's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, payroll taxes, other fees for services, and office expenses, which are allocated on the basis of estimates of time and effort.

Cash and Cash Equivalents

The School defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**EXCEL ACADEMY CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Accounts Receivables

Accounts receivable primarily represent amounts due from federal and state governments as of June 30, 2022. Management believes that all receivables are fully collectible, therefore, no provisions for uncollectible accounts were recorded.

Revenue Recognition

Amounts received from the California Department of Education are conditional and recognized as revenue by the School based on the average daily attendance (ADA) of students. Revenue that is restricted is recorded as an increase in net assets without donor restriction, if the restriction expires in the reporting period in which the revenue is recognized. All other restricted revenues are reported as increases in net assets with donor restriction.

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

**EXCEL ACADEMY CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conditional Grants

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the School has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2022, the School has conditional grants of \$584,128 of which \$195,912 is recognized as deferred revenue in the statement of financial position.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable in two installments on or before November 1 and February 1. Unsecured property taxes are not a lien against real property and are payable in one installment on or before August 31. The County bills and collects property taxes for all taxing agencies within the County and distributes these collections to the various agencies. The sponsor agency of the School is required by law to provide in-lieu property tax payments on a monthly basis, from August through July. The amount paid per month is based upon an allocation per student, with a specific percentage to be paid each month.

Income Taxes

The School is part of a nonprofit corporation exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The School files and exempt school return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Evaluation of Subsequent Events

The School has evaluated subsequent events through December 13, 2022, the date these financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date. Financial assets available for general expenditures comprise cash and cash equivalents and accounts receivable for the total amount of \$6,581,354.

As part of its liquidity management plan, the School monitors liquidity required and cash flows to meet operating needs on a monthly basis. The School structures its financial assets to be available as general expenditures, liabilities, and other obligations come due.

**EXCEL ACADEMY CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 CONCENTRATION OF CREDIT RISK

The School maintains cash balances held in banks and revolving funds which are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At times, cash in these accounts exceeds the insured amounts. The School has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

The School also maintains cash in the County Treasury (the County). The County pools these funds with those of other educational Schools in the County and invests the cash. These pooled funds are carried at costs which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The funds maintained by the County are either secured by federal depository insurance or collateralized. The fair value of the School's deposits in this pool as of June 30, 2022, as provided by the pool sponsor was \$1,494,664.

NOTE 4 REVOLVING PROMISSORY NOTE

On March 15, 2021, the School entered into an agreement with Charter Asset Management to factor attendance and grant receivables. On August 30, 2021, the School converted the factored receivable liability into a revolving promissory note, in the amount of \$4,500,000. The revolving promissory note repayments are over four installments from March 15 to August 31, 2023. The total revolving promissory note at June 30, 2022 is \$1,123,772.

NOTE 5 LOANS PAYABLE

California Department of Education Loan

The School received a revolving loan from the California Department of Education (CDE) of \$250,000. The loan requires annual principal payments of \$62,500 and has a term of four years. The loan carries an interest rate of approximately 2%. Annual payments of principal and interest are deducted from the School's apportionment. The outstanding amount for the CDE loan at June 30, 2022 was \$124,996.

Future maturities of loans payable are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 62,502
2024	62,494
Total	<u>\$ 124,996</u>

**EXCEL ACADEMY CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 LOANS PAYABLE (CONTINUED)

Paycheck Protection Program Loan

In April 2020, the School received a loan from Chase in the amount of \$1,022,214 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over 24 months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the School fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date.

In August 2021, the principal amount of \$1,022,214 was forgiven by the financial institution and U.S. Small Business Administration.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the School's financial position.

NOTE 6 EMPLOYEE RETIREMENT

Multiemployer Defined Benefit Pension Plans

Qualified employees are covered under multiemployer defined benefit pension plans maintained by agencies of the state of California. The risks of participating in this multiemployer defined benefit pension plan are different from single employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) the required member, employer, and state contribution rates are set by the California Legislature, and (c) if the School chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the plan. The School has no plans to withdraw from this multiemployer plan.

**EXCEL ACADEMY CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 EMPLOYEE RETIREMENT (CONTINUED)

State Teachers' Retirement System (STRS)

Plan Description

The School contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiemployer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. According to the most recently available Comprehensive Annual Financial Report and Actuarial Valuation Report for the year ended June 30, 2021 total STRS plan net assets are \$310 billion, the total actuarial present value of accumulated plan benefits is \$414 billion, contributions from all employers totaled \$5.744 billion, and the plan is 73% funded. The School did not contribute more than 5% of the total contributions to the plan.

Copies of the STRS annual financial reports may be obtained from STRS, 7667 Folsom Boulevard, Sacramento, CA 95826, and www.calstrs.com.

Funding Policy

Active plan members hired before January 1, 2013 are required to contribute 10.25% of their salary and those hired after are required to contribute 10.21% of their salary. The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for year ended June 30, 2022 was 16.92% of annual payroll. The contribution requirements of the plan members are established and may be amended by state statute.

The School's contributions to STRS for the past three years are as follows:

<u>Year Ended June 30,</u>	<u>Contribution</u>	<u>Contributed</u>
2020	\$ 1,031,033	100%
2021	1,201,488	100%
2022	1,314,633	100%

**EXCEL ACADEMY CHARTER SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 OPERATING LEASES

The School leases its facilities under a lease agreement that expires in October 2024. The monthly lease payment is based on lease rate of \$2.73 per square foot. Lease expense for the year ended June 30, 2022 was \$83,027.

Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 81,446
2024	85,108
2025	28,896
Total	<u>\$ 195,450</u>

NOTE 8 CONTINGENCIES, RISKS, AND UNCERTAINTIES

The School has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

SUPPLEMENTARY INFORMATION

**EXCEL ACADEMY CHARTER SCHOOLS
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 YEAR ENDED JUNE 30, 2022
 (SEE INDEPENDENT AUDITORS' REPORT)
 UNAUDITED**

Excel Academy Charter Schools (the School) consists of two charter schools and is part of a nonprofit benefit corporation under the laws of the state of California. As of June 30, 2022, the School operated the following charter schools:

- Excel Academy Charter School – Helendale
- Excel Academy Charter School – Warner

Excel Academy Charter School - Helendale was established in 2019 when it was granted its charter through Helendale Elementary School District (HESD) and its charter school status from the California Department of Education. The charter may be revoked by the District for material violations of the charter, failure to meet or make progress toward student outcomes, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law. The charter school number is: 2073.

Excel Academy Charter School - Warner was established in 2019, when it was granted its charter through Warner Unified School District (WUSD) and its charter school status from the California Department of Education. The charter may be revoked by the District for material violations of the charter, failure to meet or make progress toward student outcomes, failure to meet generally accepted standards of fiscal management, or violation of any provision of the law. The charter school number is: 2053.

The Board of Directors and the Administrators as of the year ended June 30, 2022 were as follows:

Excel Academy Charter Schools - BOARD OF DIRECTORS

Member	Office	Term Expires
William Hall	President	September 28, 2022
Michael Humphrey	Vice President	September 28, 2022
Steve Fraire	Clerk	September 28, 2023
Susan Houle	Member	September 28, 2023
Larry Alvarado	Member	November 12, 2023

ADMINISTRATORS

Heidi Gasca	Executive Director
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**EXCEL ACADEMY CHARTER SCHOOLS
SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2022**

The Organization operates a 100% Independent Study program and does not operate a full-time Classroom-Based program; therefore, a Schedule of Instructional Time is not applicable.

**EXCEL ACADEMY CHARTER SCHOOLS
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
YEAR ENDED JUNE 30, 2022**

	Second Period Report		Annual Report	
	Classroom Based	Total	Classroom Based	Total
Excel - Helendale				
Grades K-3	-	265.64	-	266.85
Grades 4-6	-	162.78	-	162.26
Grades 7-8	-	79.85	-	78.55
Grades 9-12	-	95.08	-	94.50
ADA Totals	-	603.35	-	602.16
Excel - Warner				
Grades K-3	-	512.43	-	511.95
Grades 4-6	-	316.73	-	313.71
Grades 7-8	-	200.31	-	199.98
Grades 9-12	-	199.70	-	199.50
ADA Totals	-	1,229.17	-	1,225.14

See the Auditors' Report and accompanying Notes to Supplementary Information

**EXCEL ACADEMY CHARTER SCHOOLS
RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

	Excel - Helendale	Excel - Warner
June 30, 2022 Annual Financial Fund Balances (Net Assets)	\$ 2,154,686	\$ 2,744,456
Adjustments and Reclassifications:		
Increase (Decrease) of Fund Balance (Net Assets):		
Accounts Receivable	(18,393)	(47,567)
Intercompany Receivable	-	126,953
Accounts Payable and Accrued Liabilities	(34,611)	-
Intercompany Payable	(126,953)	-
Deferred Revenue	(37,835)	-
Net Adjustments and Reclassifications	<u>(217,792)</u>	<u>79,386</u>
June 30, 2022 Audited Financial Statement Fund Balances (Net Assets)	<u>\$ 1,936,894</u>	<u>\$ 2,823,842</u>

See the Auditors' Report and accompanying Notes to Supplementary Information

**EXCEL ACADEMY CHARTER SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Additional Identification	Excel - Helendale	Excel - Warner	Total
U.S. Department of Education						
Pass-Through Program From California Department of Education:						
Every Student Succeeds Act						
Title I, Part A, Basic Grants:Low-Income and Neglected	84.010	03797		\$ 66,593	\$ 121,148	\$ 187,741
Title II, Part A, Teacher Quality	84.367	14341		12,946	25,582	38,528
Title III, Limited English Proficiency	84.365	10084		1,989	6,084	8,073
Title IV, Part A, Student Support & Academic Enrichment	84.424	N/A		10,000	10,000	20,000
Special Education Cluster: Special Education - IDEA	84.027	13379		61,116	148,556	209,672
Total Special Education Cluster				<u>61,116</u>	<u>148,556</u>	<u>209,672</u>
Coronavirus Aid, Relief, and Economic Security Act (CARES Act):						
Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	15536	COVID-19	36	7	43
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425U	15559	COVID-19	92,133	139,775	231,908
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	COVID-19	75,533	132,444	207,977
Total CARES Act				<u>167,702</u>	<u>272,226</u>	<u>439,928</u>
Total U.S. Department of Education				<u>320,346</u>	<u>583,596</u>	<u>903,942</u>
Total Federal Expenditures				<u>\$ 320,346</u>	<u>\$ 583,596</u>	<u>\$ 903,942</u>

N/A - Not Applicable and/or Not Available.

See the Auditors' Report and accompanying Notes to Supplementary Information

**EXCEL ACADEMY CHARTER SCHOOLS
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

PURPOSE OF SCHEDULES

NOTE 1 SCHEDULE OF INSTRUCTIONAL TIME

This Schedule presents information on the amount of instructional time offered by the School and whether the School complied with the provisions of California Education Code.

NOTE 2 SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of School. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to charter schools. This Schedule provides information regarding the attendance of students at various grade levels.

NOTE 3 RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED FINANCIAL STATEMENTS

This Schedule provides the information necessary to reconcile the net assets of the charter schools as reported on the Annual Financial Report form to the audited financial statements.

NOTE 4 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the School under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the School, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the School.

NOTE 5 INDIRECT COST RATE

The School has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



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

Board of Directors
Excel Academy Charter Schools
Irvine, California

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 Excel Academy Charter Schools (the School), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, the related notes to the financial statements, and have issued our report thereon dated December 13, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School'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.

Report on 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 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 School’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 School’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 13, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDE

Board of Directors
Excel Academy Charter Schools
Irvine, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Excel Academy Charter Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Excel Academy Charter Schools' major federal programs for the year ended June 30, 2022. Excel Academy Charter Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Excel Academy Charter Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Excel Academy Charter Schools and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Excel Academy Charter Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Excel Academy Charter Schools' federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Excel Academy Charter Schools' compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Excel Academy Charter Schools' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Excel Academy Charter Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Excel Academy Charter Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Excel Academy Charter Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditors' Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
December 13, 2022



INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Directors
Excel Academy Charter Schools
Irvine, California

Opinion on State Compliance

We have audited Excel Academy Charter Schools' (the School) compliance with the types of compliance requirements described in the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel for the year ended June 30, 2022. The School's state compliance requirements are identified in the table below.

In our opinion, the School complied with the laws and regulations of the state programs referred to above in all material respects for the year ended June 30, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Our responsibilities under those standards and *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for the compliance with the state laws and regulations as identified below.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to below occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit

Appeals Panel will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 School's compliance with the compliance requirements referred to below and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the School's compliance with the laws and regulations applicable to the following items:

<u>Description</u>	<u>Procedures Performed</u>
School Districts, County Offices of Education, and Charter Schools:	
California Clean Energy Jobs Act	Not Applicable
After/Before School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Not Applicable
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
In Person Instruction Grant	Not Applicable
Charter Schools:	
Attendance	Yes
Mode of Instruction	Not Applicable
Nonclassroom-Based Instruction/Independent Study	Yes
Determination of Funding for Nonclassroom-Based Instruction	Yes
Annual Instructional Minutes – Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

Purpose of this Report

The purpose of this report on state compliance is solely to describe the results of testing based on the requirements of the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Glendora, California
 December 13, 2022

**EXCEL ACADEMY CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)

84.425D, 84.425U

Name of Federal Program or Cluster

Elementary and Secondary School Emergency Relief (ESSER) Fund ESSER I, ESSER III, ESSER III: Learning Loss

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes x no

**EXCEL ACADEMY CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

All audit findings must be identified as one or more of the following categories:

<u>Five Digit Code</u>	<u>Finding Types</u>
10000	Attendance
20000	Inventory of Equipment
30000	Internal Control
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship
50000	Federal Compliance
60000	Miscellaneous
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report Card

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*, *OMB Compliance Supplement* or the *2021-2022 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*.

**EXCEL ACADEMY CHARTER SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022**

There were no findings and questioned costs related to the basic financial statements, federal awards or state awards for the prior year.



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