

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

JUBILEE ACADEMIC CENTER, INC. San Antonio, Texas

ANNUAL FINANCIAL AND COMPLIANCE REPORT

For the Year Ended June 30, 2022

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

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JUBILEE ACADEMIC CENTER, INC.

BEXAR

015-822

Name of School District

County

Co. Dist. Number

We, the undersigned, certify that the attached annual financial and compliance report of Jubilee Academic Center, Inc. was reviewed and (check one) approved disapproved for the year ended June 30, 2022, at a meeting of the governing body of said charter school on the 16 day of November 2022.


Signature of the Board Secretary


Signature of the Board President

Note: If the governing body of the charter school does not approve the independent auditor's report, it must forward a written statement discussing the reason(s) for not approving the report.

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Jubilee Academic Center, Inc.
San Antonio, Texas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jubilee (a nonprofit organization), (Jubilee), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows 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 Jubilee 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jubilee and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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 Jubilee'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 Jubilee'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 financial statements as a whole. The Supplementary Information, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Also, 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*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2022 on our consideration of Jubilee’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 Jubilee’s 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 Jubilee’s internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Lanza / Longley & Associates". The signature is written in a cursive style with a large, sweeping flourish at the end.

November 4, 2022

FINANCIAL STATEMENTS

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

STATEMENT OF FINANCIAL POSITION

June 30, 2022

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 18,013,556
Other Receivables	185,209
Due from Texas Education Agency	22,199,284
Deferred Expenses	223,525
Other Assets	21,000
Total Current Assets	<u>40,642,573</u>
Non-Current Assets	
Restricted Cash and Cash Equivalents	15,555,525
Property and Equipment - Net	<u>115,360,833</u>
Total Non-Current Assets	<u>130,916,358</u>
TOTAL ASSETS	<u>\$ 171,558,931</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$ 2,029,686
Accrued Payroll and Payroll Liabilities	6,452,019
Current Portion of Long-Term Debt	1,260,989
Accrued Interest Payable	1,868,325
Other Liabilities	<u>155,611</u>
Total Current Liabilities	<u>11,766,631</u>
Non-Current Liabilities	
Long-Term Debt, Net of Current Portion	<u>134,789,597</u>
Total Liabilities	<u>146,556,228</u>
Net Assets	
With Donor Restrictions	16,137,238
Without Donor Restrictions	<u>8,865,466</u>
Total Net Assets	<u>25,002,703</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 171,558,931</u>

The accompanying notes to the financial statements
form an integral part of this statement.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals
REVENUES			
Local Support			
Revenue From Cocurricular, Enterprising Services	\$ 308,430	\$ 48,085	\$ 356,516
Other Revenue From Local Sources	479,085	212,805	691,890
Total Local Support	<u>787,515</u>	<u>260,890</u>	<u>1,048,405</u>
State Program Revenues			
Foundation School Program	-	58,937,398	58,937,398
Other State Aid	-	1,015,673	1,015,673
Total State Program Revenues	<u>-</u>	<u>59,953,071</u>	<u>59,953,071</u>
Federal Program Revenues			
National School Lunch Program	-	3,232,695	3,232,695
School Breakfast Program	-	991,595	991,595
Child and Adult Care Food Program	-	437,855	437,855
USDA, Donated Commodities	-	323,367	323,367
Supply Chain Grant	-	173,403	173,403
USDA, Equipment Grant	-	63,995	63,995
ESEA Title X, Education for Homeless children and Youth	-	7,387	7,387
ESEA Title IV, Part A	-	240,540	240,540
ESEA Title II, Part A	-	299,014	299,014
ESEA Title III, Part A	-	223,896	223,896
ESEA Career and Technical Education-Basic Grant	-	122,900	122,900
ESSER II Grant	-	2,811,867	2,811,867
ESSER III Grant	-	12,489,303	12,489,303
ESEA Title I, Part A	-	2,509,602	2,509,602
ESEA Title I 1003(A)-School Improvement Grant	-	88,820	88,820
ESEA Title I EF	-	53,773	53,773
Stop School Violence	-	18,680	18,680
Emergency Connectivity Fund Grant	-	2,519,198	2,519,198
GEAR UP Grant	-	1,346,571	1,346,571
TCLASS Grant	-	549,414	549,414
LEP Summer School	-	2,949	2,949
IDEA B, Formula	-	974,019	974,019
IDEA B, Preschool	-	9,766	9,766
Total Federal Program Revenues	<u>-</u>	<u>29,490,607</u>	<u>29,490,607</u>
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	89,245,015	(89,245,015)	-
TOTAL REVENUES	<u>90,032,530</u>	<u>459,553</u>	<u>90,492,083</u>
EXPENSES			
Program Services			
Instruction and Instructional Related Services	44,877,930	-	44,877,930
Instruction and Social Leadership	5,849,373	-	5,849,373
Support Services			
Student (Pupil)	8,695,619	-	8,695,619
Administrative	9,498,307	-	9,498,307
Non-Student Based	13,119,710	-	13,119,710
Community Service	474,747	-	474,747
Debt Service	7,111,540	-	7,111,540
Total Expenses	<u>89,627,228</u>	<u>-</u>	<u>89,627,228</u>
Changes in Net Assets	<u>405,303</u>	<u>459,553</u>	<u>864,855</u>
Net Assets - Beginning of Year -Restated	<u>8,460,163</u>	<u>15,677,685</u>	<u>24,137,848</u>
Net Assets - End of Year	<u>\$ 8,865,466</u>	<u>\$ 16,137,238</u>	<u>\$ 25,002,703</u>

The accompanying notes to the financial statements
form an integral part of this statement.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

STATEMENT OF CASH FLOWS

Year Ended June 30, 2022

	2022
CASH FLOWS FROM OPERATING ACTIVITIES	
Foundation School Program Payments	\$ 58,815,028
Grant Payments - Federal Programs	26,182,113
Local Sources	1,860,907
Interest Revenue	81,214
Interest Expense	(7,111,540)
Payments to Vendors for Goods and Services Rendered	(9,510,724)
Payments to Charter School Personnel for Services Rendered & for Benefits	(53,645,504)
Net Cash Provided by Operating Activities	16,671,494
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payment on bond-16 Issuance	(69,605,000)
Principal Payment on bond-17 Issuance	(38,160,000)
Principal Payments on Capital Leases	(50,368)
Proceeds from Issuance of Long-Term Debt	124,555,000
Net Cash Provided by Financing Activities	16,739,632
CASH FLOWS FROM INVESTING ACTIVITIES	
Property and Equipment Purchased	(26,775,972)
Net Cash Used by Investing Activities	(26,775,972)
Net Increase in Cash and Cash Equivalents	6,635,154
Cash at Beginning of Year	26,933,926
Cash at Ending of Period	\$ 33,569,081
Reconciliation of Statement of Financial Position	
Cash and Cash Equivalents	\$ 18,013,556
Restricted Cash and Cash Equivalents	15,555,525
Total Cash and Cash Equivalents	\$ 33,569,081
RECONCILIATION OF CHANGE IN NET ASSET TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in Net Assets	\$ 864,855
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Net Cash Provided by Operating Activities	
Depreciation Expense	\$ 3,393,735
Amortization of Debt Issuance Cost and Premium/Discount on Bonds	13,623,858
(Increase) Decrease in Assets	
Due from State	(3,430,864)
Accounts Receivable	(121,957)
Other Assets	(50,720)
Increase (Decrease) in Liabilities	
Accounts Payable	806,708
Accrued Wages Payable	1,627,149
Accrued interest	(102,703)
Other Liabilities	61,432
Net Cash Provided by Operating Activities	\$ 16,671,494

The accompanying notes to the financial statements
form an integral part of this statement.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

STATEMENT OF FUNTIONAL EXPENSES

Year Ended June 30, 2022

	Payroll Costs	Professional & Contracted Services	Supplies & Materials	Other Operating Costs	Debt	2022 Total
Program Services:						
Instructional and Instructional Related Services	\$ 34,160,642	\$ 3,901,837	\$ 6,417,278	\$ 398,174	\$ -	\$ 44,877,930
Instructional and School Leadership	5,402,015	95,451	250,221	101,686	-	5,849,373
Student Support Services	5,413,222	424,278	2,411,327	446,792	-	8,695,619
Total Program Services	44,975,879	4,421,566	9,078,826	946,651	-	59,422,923
Support Services:						
Administrative Support Services	6,659,870	1,342,913	450,859	1,044,665	-	9,498,307
Support Services - Nonstudent Based	3,078,814	5,818,327	953,653	3,268,916	-	13,119,710
Community Service	359,139	49,502	11,974	54,132	-	474,747
Debt Service	-	-	-	-	7,111,540	7,111,540
Fundraising	-	-	-	-	-	-
Total Support Services	10,097,822	7,210,742	1,416,486	4,367,713	7,111,540	30,204,305
Total Expenses	\$ 55,073,702	\$ 11,632,308	\$ 10,495,312	\$ 5,314,365	\$ 7,111,540	\$ 89,627,228

The accompanying notes to the financial statements
form an integral part of this statement.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Jubilee Academic Center, Inc., a Texas non-profit organization operating Texas charter schools, (Jubilee) were prepared in conformity with accounting principles generally accepted in the United States. The financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles.

Reporting Entity

In 2000, the State Board of Education of the State of Texas granted Jubilee an open-enrollment charter pursuant to Chapter 12 of the Texas Education Code. Pursuant to the program described in the charter application approved by the State Board of Education and the terms of the applicable Contract for Charter, Jubilee Academic Center opened on September 13, 2000. Jubilee was organized to provide educational services to at-risk students and its programs, services, activities and functions are governed by no fewer than three (3) members of Jubilee's Board of Directors (the executive board). The Board of Directors is selected pursuant to the by-laws of Jubilee and has the authority to make decisions, appoint the chief executive officer of Jubilee, and significantly influence operations. The Board of Directors has the primary accountability for the fiscal affairs of Jubilee.

The bylaws were amended on January 25, 2011 to provide for the creation of committees (school boards) by the president of the Board to perform the duties and functions assigned or delegated in furtherance of the Board objectives. Effective August 1, 2011 three such committees were created: the Jubilee Academic Center School Board, the Coastal Bend Charter District School Board, and the Rio Grande Valley Charter District School Board. The board president of the executive board is also the board president on each of Jubilee boards.

The charter holder only operates thirteen (13) campuses charter schools and does not conduct any other charter or non-charter activities.

Income Taxes

Jubilee is a not-for-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business income. No provision for income taxes has been made in the financial statements. Income tax filings are up to date. Jubilee is subject to routine audits by taxing jurisdictions; however, there are no audits in progress. Jubilee believes it is no longer subject to income tax examinations for years ending prior to 2016.

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. The accounting system is organized under the Special Supplement to Financial Accounting and Reporting – Non-Profit Charter School Chart of Accounts, a module of the Texas Education Agency Financial Accountability Resource Guide. Jubilee accounts and reports its activities in accordance with the Financial Accounting Standards Board – Accounting Standards Codification 958, *Net-for-Profit Entities*.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classification

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Contributions of long-lived assets and of assets restricted for acquisition of long-lived assets are released when those assets are placed in service. Net assets with donor restrictions consist of state foundation school program funds and other state grants.

Cash and Cash Equivalents

Jubilee considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted Cash and Cash Equivalents

Cash and cash equivalents that have been earmarked for specific purposes are classified as restricted cash on the statement of financial position because they are maintained in a separate bank account and not available for general operations.

Fair Value Measurement of Financial Instruments

The requirements of Fair Value Measurements and Disclosures of the FASB Accounting Standards Codification (ASC) apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB also establishes a fair value hierarchy that categorizes the inputs used in valuation methodologies into three levels.

Inputs may be observable or unobservable. Observable inputs are inputs that are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability. Unobservable inputs are inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability. A three-tier hierarchy categorizes the inputs used to measure the fair value as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets for liabilities that the charter holder can access at the measurement date.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 inputs are unobservable for the asset or liability.

At June 30, 2022, Jubilee's investments in money market mutual funds were classified as Level 1 inputs.

Inventories

Inventories are stated at cost and expensed when purchased. There was no inventory as of June 30, 2022.

Contributions and Contributions Receivable

Contributions are recognized at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially made. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted revenue. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Jubilee reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service, except for long-lived assets purchased with Federal or State contributions, Jubilee reports expirations of donor restrictions over the estimated useful life.

Unconditional contributions that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in future years are discounted to estimate the present value of future cash flows. An allowance for uncollectible contributions receivable is provided when it is believed contributions may not be collected in full.

Grant Funds

Grant funds are considered to be earned when eligibility requirements have been met and to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require a refund of all or part of the unused amount.

State Revenues

Funds received are recognized as revenue in the period earned as services are provided. In addition, receivables/payables to the State are recognized based on the near final summary of finances report.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and Equipment, which include buildings and improvements, furniture and equipment, and other personal property, are reported in the financial statements. Property and equipment are defined by Jubilee as assets with an individual cost of more than \$5,000. Such assets are recorded as historical cost. Expenditures for additions, major renewals and betterments are capitalized, and maintenance and repairs are charged to expense as incurred. Donations of assets are recorded as direct additions to net assets at fair value at the date of donation, which is then treated as cost. Property and equipment are being depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Useful Lives</u>
Vehicles	5 Years
Furniture & Equipment	5 Years
Buildings & Improvement	1-39.5 Years
Computers	3-5 Years

Impairment of Long-Lived Assets

Jubilee reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects and the effects of obsolescence, demand, competition and other economic factors. Jubilee did not recognize an impairment loss during the year ended June 30, 2022.

Debt Issuance Costs

Costs related to the issuance of bonds and notes payable are reported as a direct reduction of the related debt and are amortized as interest expense over the term of the bonds or notes using the straight-line method, which does not materially differ from the effective interest method.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted/Unrestricted Resources

Jubilee funds expenses by a combination of restricted and unrestricted revenues. Thus, when expenses are incurred, there are both restricted and unrestricted resources available to finance them. It is Jubilee's policy to first apply restricted resources to such expenses.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Expenses are reported by their functional classification as program services or management and general or fundraising. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to one or more program or supporting activities are allocated among the activities benefitted. Salaries and related costs are charged directly either to program services, fundraising or administration based on actual time worked in each area. Information technology costs, depreciation, interest expense, and occupancy costs are allocated based on whether the costs are associated with instructional campuses (program services) or with administrative buildings.

2. CASH AND INVESTMENTS

As of June 30, 2022, cash and cash equivalents consisted of:

Unrestricted	
Cash in Bank	\$ 3,079,105
Cash Equivalents	
TexPool Investment Pool	13,562
Certificate of Deposit	6,625,236
Money Market Funds	8,295,653
Total Unrestricted	<u>\$ 18,013,556</u>
Restricted	
Cash – Trust Fund	\$ 1,043
Cash – Jubilee Foundation	46,168
Cash – Student Activities	6,543
Money Market Fund – Debt Service	15,501,771
Total Restricted	<u>15,555,525</u>
Total	<u>\$ 33,569,081</u>

Deposits

At June 30, 2022, the carrying amount of the Jubilee's deposits was \$33,569,081 and the bank balance was \$34,077,220. The Federal Deposits Insurance Corporation (FDIC) guarantees bank balances up to \$250,000. Jubilee maintains an agreement with PNC Bank to collateralize deposits in excess of FDIC coverage with standby letters of credit. During the year, the deposits in the accounts exceeded insured/collateralized amounts for 1 month.

At June 30, 2022, the carrying amount for the Jubilee Academic foundation account from PNC Bank was \$46,168 and the bank balance was \$47,676.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

2. CASH AND INVESTMENTS (Continued)

Investments

State statutes govern Jubilee's investment policies. State authorized investments include obligations of the U.S. Treasury and U.S. Government agencies, commercial paper and repurchase agreements. Realized and unrealized gains and losses on investments are reported as investment income. Investments are valued at fair value.

Credit Risk – Jubilee's investment policy requires that obligations of other governments be rated by a nationally recognized rating firm no less than A rated, and that mutual funds be rated no less than AAA. Jubilee's money market funds are rated Aaa (Moody's) and AAAm (S&P).

Interest Rate Risk – As required by state law and Jubilee's investment policy, investments in obligations are limited to having maturities at the date of purchase of no more than 10 years.

Concentration of Credit Risk – Jubilee places no limit on the amount they may invest in any one issuer. At year end Jubilee's total investments are held in governmental investment pools, certificates of deposits, money market, and restricted debt accounts. Jubilee is in compliance with the Texas Public Funds Investment Act.

Jubilee's investments consist solely of funds invested in governmental investment pools, certificates of deposits and are therefore reported as cash equivalents.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

Jubilee relies on state aid and federal grants to meet general expenditures related to operations. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Jubilee considers all expenditures related to its ongoing activities of education, as well as the conduct of services undertaken to support those activities, to be general expenditures.

As part of Jubilee's liquidity management, it structures its financial assets to be available as its general expenditures and liabilities become due or as additional funding opportunities are presented by maintaining a significant portion of its assets in cash.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

3. LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use within one year of June 30, 2022 are as follows:

Financial Assets at June 30, 2022:	
Cash and Cash Equivalents	\$ 33,569,081
Grants and Other Receivables	<u>22,384,493</u>
Total Financial Assets	<u>55,953,574</u>
Less Financial Assets Not Available for General Expenditure	
Cash Restricted for Long-Term Purposes	<u>(15,555,525)</u>
Total Financial Assets Not Available for General Expenditure	<u>(15,555,525)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 40,398,049</u>

4. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2022 is comprised of the following:

Land	\$ 500,000
Buildings and Improvements	129,873,489
Vehicles	1,323,871
Furniture and Equipment	<u>1,794,447</u>
Total Property and Equipment	133,491,807
Accumulated Depreciation	<u>(18,130,974)</u>
Property and Equipment Net of Accumulated Depreciation	<u>\$ 115,360,833</u>

Depreciation expense for the period ended June 30, 2022 was \$3,393,735

5. OPERATING LEASES

A. SCHOOL BUILDING LEASES

Jubilee has commitments under eleven operating leases for various school buildings. Lease terms for all leases were from one to ten years. Rent expense for the various leases was \$816,382 and utilities and other costs (garbage disposal, improvements, etc.) under the leases were \$199,209.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

5. OPERATING LEASES (Continued)

Future minimum lease payments at June 30, 2022 are as follows:

Year	Amount
2023	\$ 682,266
2024	682,266
2025	682,266
2026	682,266
2027	682,266
	<u>\$ 3,411,330</u>

B. TECHNOLOGY EQUIPMENT LEASES

On September 1, 2020 Jubilee entered into three operating lease agreements for various technology and network communication equipment. All three leases have a two-year term consisting of 4 quarterly payments. Lease expenses for the equipment in 2022 was \$115,920.

On November 1, 2016, Jubilee entered into an operating lease agreement for various technology and network communication equipment. The lease has a five-year term consisting of 20 quarterly payments. Lease expenses for the equipment in 2022 was \$71,074.

On November 1, 2016, Jubilee entered into an operating lease agreement for various technology and network communication equipment. The lease has a three-year term consisting of 36 payments. Lease expenses for the equipment in 2022 was \$95,694.

On September 20, 2019, Jubilee entered into an operating lease agreement for various technology and network communication equipment. The lease has a three-year term consisting of 3 annual payments. Lease expenses for the equipment in 2022 was \$23,561.

On July 1, 2019, Jubilee entered into an operating lease agreement for various technology and network communication equipment. The lease has a three-year term consisting of 3 annual payments. Lease expenses for the equipment in 2022 was \$124,495.

On February 1, 2020, Jubilee entered into an operating lease agreement for various technology and network communication equipment. The lease has a three-year term consisting of 3 annual payments. Lease expenses for the equipment in 2022 was \$41,161.

On July 25, 2019, Jubilee entered into an operating lease agreement with various technology and network communications equipment. The lease has a three-year term consisting of 3 annual payments. Lease expenses for the equipment in 2022 was \$99,921.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

5. OPERATING LEASES (Continued)

On January 21, 2022, Jubilee entered into an operating lease agreement for various technology and network communication equipment. The lease has a three-year term consisting of 12 quarterly payments. Lease expenses for the equipment in 2022 was \$36,455.

Future minimum lease payments as of June 30, 2022 are as follows:

Year	Amount
2023	\$ 36,455
2024	18,228
	<u>\$ 54,683</u>

6. BUILD TO SUIT LEASES

In December 2021, Jubilee Academic Center, Inc. exercised its option to purchase two build to suit leases. The schools are located in San Antonio and Harlingen Texas. The current lease expenses for the year for the two schools is \$917,894.

Additionally, in the 2022 Jubilee Academic Center Inc. entered into a new build to suit lease agreement for school building facilities, including furniture and equipment. The school is Jubilee Leadership Academy located in Brownsville, Texas. The lease commencement date is July 1, 2022. The lease agreement provides for the following minimum lease payments during the twenty five-year term of the lease.

The lease payments by lease year (12 months) per the agreements are as follows:

Lease Year	Annual payment
1 st	\$ 1,071,546
2 nd	1,071,546
3 rd	1,225,116
4 th	1,158,686
5 th	1,206,341

Upon the sixth anniversary of the rent commencement date, and on each anniversary of the rent commencement date thereafter, base rent will increase by an amount equal to two and one-half percent (2.5%) more than the base rent payable during the immediately preceding lease year.

Purchase Price Options

The school facilities lease agreements have purchase options that may be exercised starting with the commencement date through July 31 of each lease year, referred to as option periods, as noted below. It is Jubilee's intent to exercise its purchase option with in the future five years.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

6. BUILD TO SUIT LEASES (Continued)

Option Period	Purchase Price
1 st	\$ 15,113,298
2 nd	14,977,142
3 rd	14,977,142
4 th	15,113,298
5 th	15,249,454

7. PENSION PLAN OBLIGATIONS

Plan Description

The Charter School contributes to the Teacher Retirement System of Texas (the System), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception; all risks and costs are not shared by the Charter School, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates under the authority of provisions contained primarily in Texas Government Code, Title 8, Public Retirement Systems, Subtitle C, Teacher Retirement System of Texas, which is subject to amendment by the Texas Legislature. The System's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 223-8778. Payments made by the State on behalf of the Charter School are not reflected in the accompanying financial statements. All employees of the Charter School were covered by the System for the year ended June 30, 2022.

Funding Policy

Under provisions in state law, plan members and the State are each required to contribute 8.0% and 7.75% of their annual covered salary, respectively; and, in certain instances, Jubilee is required to make all or a portion of the member's contribution and on the portion of the employees' salaries that exceed the statutory minimum. Jubilee employees contributed \$3,875,027 to TRS for the period ended June 30, 2022. The State also contributes to TRS on behalf of charter school employees; however, these contributions are not recognized in Jubilee's financial statements under FASB accounting. Jubilee's contributions to the Plan did not represent more than 5% of the total contributions to the Plan. There have been no changes that would affect the comparison of employer contributions from year to year.

Charter schools are legally separate entities from the State and each other. Assets contributed by one charter school or independent school district (ISD) may be used for the benefit of an employee of another charter school or ISD. The risk of participating in multi-employer pension plans is different from single-employer plans. If a participating charter school or ISD stops contributing to the Plan, the unfunded obligations of the Plan gets passed along to the remaining charter schools and ISDs. There is not a withdrawal penalty for leaving the TRS system; and, there is no collective-bargaining agreement.

	Contribution Rates	
	2021	2022
Member	7.7%	8.0%
Non-Employer Contributing Entity (State)	7.5%	7.75%
Employers	7.5%	7.75%

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

7. PENSION PLAN OBLIGATIONS (Continued)

Legal Name of Plan	Texas Retirement System of Texas
Plan's Employer Identification Number	N/A
Total Plan Assets	\$223,172,755,137
Accumulated Benefit Obligations	\$227,273,463,630
Percentage Plan was Funded	88.79 % funded
Expiration Date of Collective-Bargaining Agreement	N/A
Funding Improvement Plan or Rehabilitation Plan Implemented or Pending	N/A
Employer Contributions Made for the Non-OASDI Participating Surcharge	\$501,744,908

Information per 08/31/2021 TRS CAFR

For the year ended June 30, 2022, the Charter School contributed \$2,056,077 the required contributions for the year, on behalf of its employees to TRS, which included \$758,568 for Public Education Employer Contribution.

Plan Description

Jubilee participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan. TRS-Care is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575. TRS' annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, Texas 78701, by calling 1-800-223-8778, or by downloading the report from the TRS website, www.trs.state.tx.us, under the TRS Publications heading.

8. OTHER POST-EMPLOYMENT BENEFIT PLAN

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers, and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3).

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

8. OTHER POST-EMPLOYMENT BENEFIT PLAN (Continued)

Eligible retirees and dependents enrolled in Medicare may elect to participate in one of two Medicare Health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

Funding Policy

Contribution rates for the TRS-Care plan are established in state statute by the Texas legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, school districts, and charter schools, based upon member's annual compensation. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the aggregate annual compensation paid to members during the fiscal year. Section 1575.203 establishes the active member's rate which is 0.65% of the member's annual compensation. Section 1575.204 establishes an employer contribution rate of not less than 0.25% and not more than 0.75% of the annual compensation of each active member. The actual employer contribution rate is prescribed by the Texas Legislature in the General Appropriations Act. The following table shows contribution rates to the TRS-Care plan by type of contributor:

	Contribution Rates	
	2021	2022
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

For the year ended June 30, 2022, Jubilee contributed \$410,547, the required contributions for the year, on behalf of its employees to TRS. The State's contributions are not recognized in the Jubilee's financial statements.

9. LINE OF CREDIT

On May 25, 2022, Jubilee entered into a revolving line of credit with Fayetteville Bank for \$7,500,000. The note bears an initial interest rate of 3.75% and is variable thereafter. The note matures on May 25, 2023 and is unsecured. Interest is calculated from the date of each advance payment until repayment and is due monthly. The variable interest rate changes no more than daily based on the Wall Street Journal U.S. Prime Rate index using a rate of .25 percentage points under the index. As of, and for the year ending, June 30, 2022, there were no draws on the line of credit.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

10. LONG TERM DEBT

Description	Interest Rate	Balance Outstanding 07/01/2021 *	Issued Current Year	Retired Current Year	Balance Outstanding 06/30/2022	Amounts Due Within One Year
Capital Lease (Presidio#675564)	5.00%	\$ 12,932	\$ -	\$ 12,932	\$ -	\$ -
Capital Lease (TQ#426527)	4.39%	96,678	-	37,436	59,242	39,041
Cost of Debt Issuance	N/A	(2,414,870)	(2,116,090)	2,445,101	(2,085,860)	-
Premiums and Discounts	N/A	227,358	13,718,178	(423,331)	13,522,204	391,948
Bond – Series 2016	3.375%-5.00%	69,605,000	-	69,605,000	-	-
Bond – Series 2017	3.625%-5.12%	38,160,000	-	38,160,000	-	-
Bond – Series 2021	4.000%	-	124,555,000	-	124,555,000	830,000
Total		\$ 105,687,097	\$ 136,157,089	\$ 109,837,138	\$ 136,050,586	\$ 1,260,989

* Restated

Series 2021 Bond: On December 21, 2021, Jubilee Academic Center (Jubilee) issued \$124,555,000 of Education Revenue and Refunding Bonds, Series 2021. The proceeds from the sale of the Bonds were loaned by the Issuer to the Company for the purposes of (a) refunding the Company’s outstanding Series 2016A Bonds and Series 2017A Bonds, (b) exercising certain purchase options to purchase the Jubilee Harlingen campus (the “Jubilee Harlingen Campus”) and the Jubilee Westwood campus (the “Jubilee Westwood Campus”) that were being leased to Jubilee, (c) financing acquisition, construction, improvements and/or equipping of educational facilities, (d) purchasing certain portable buildings Jubilee leases for use at the Jubilee Brownsville and Jubilee Highland Hills campuses, (e) funding a debt service reserve fund for the Bonds and (f) paying certain of the costs of issuing the Bonds (collectively, the “Project”).

The difference between the old debt service of the refunded bonds and the new bonds resulted in a gross project value service savings of \$24,789,071. The net present value of the benefit of the refunding was \$19,512,014 after the application of transfers and deposits in reserve funds.

Covenants Debt Service Coverage. Jubilee covenants to maintain a Debt Service Coverage Ratio of at least 1.1:1.0 for the period ending June 30, 2022 and for each Fiscal Year thereafter until the Bonds are paid in full as evidenced by Jubilee’s audited financial statements for each such Fiscal Year. Jubilee is in compliance with such requirements.

Liquidity. Per the Bond covenant, Jubilee’s Days Cash on Hand is obtained by multiplying 365 by the quotient determined by dividing (a) cash equivalents, and liquid investments, (b) the total expenses of Jubilee plus interest expense on debt, in each case for the prior fiscal year. Jubilee’s covenant to maintain-not less than forty (40) Days cash on hand for the year ended June 30, 2022. Jubilee is in compliance with such requirements.

Loan Payments. Per the Bond Covenant, Jubilee shall make, or cause to be made, loan payments in immediately available funds on or before the earlier of the fifth (5th) business day prior to any interest payment date of the 25th day of each month in equal installments for deposit in the Debt Service Fund amounts sufficient to provide for the payment of interest or principal on the Bonds which is next due for payment. Jubilee is in compliance with such requirements.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

10. LONG TERM DEBT (Continued)

June 30,	Principal on Series 2021 Tax Exempt Bonds	Interest on Series 2021 Tax Exempt Bonds	Total Debt Service
2023	\$ 830,000	\$ 4,953,150	\$ 5,783,150
2024	1,770,000	4,887,050	6,657,050
2025	1,845,000	4,813,625	6,658,625
2026	1,915,000	4,737,375	6,652,375
2027	1,990,000	4,658,150	6,648,150
Thereafter	116,205,000	81,326,425	197,531,425
Total	<u>\$ 124,555,000</u>	<u>\$ 105,375,775</u>	<u>\$ 229,930,775</u>

Capital Leases

On January 1, 2017, Jubilee entered into a master lease/purchase agreement in the original amount of \$115,934 with Presidio Technology Capital for the purchase of information technology infrastructure equipment. The leases are payable over five (5) years in twenty (20) quarterly payments of \$6,587. The lease agreements contain a bargain purchase option that allows the Jubilee to purchase the equipment at the end of the lease term for \$1.

The technology infrastructure equipment is included in property and equipment as furniture and equipment in the amount of \$115,934 and is fully depreciated. This lease was paid off in 2022. Interest paid relating to capital lease for the year ended June 30, 2022, totaled \$243.

On January 26, 2022, Jubilee entered into a master lease/purchase agreement in the original amount of \$114,792, with Apple Inc. for the purchase of personal computers and other information technology equipment. The leases are payable over three (3) years in three (36) quarterly payments of \$10,266.88. The lease agreements contain a bargain purchase option that allows Jubilee to purchase the equipment at the end of the lease term for \$1.

The technology infrastructure equipment is included in property and equipment as furniture and equipment in the amount of \$114,792, and the related amortization is included in accumulated depreciation/amortization in the amount of \$57,396. Interest paid relating to capital lease for the year ended June 30, 2022, totaled \$3,632.

Future minimum payments on the capital leases payable at June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 39,041	\$ 2,026	\$ 41,067
2024	20,201	333	20,534
Total	<u>\$ 59,242</u>	<u>\$ 2,359</u>	<u>\$ 61,601</u>

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

11. COMMITMENTS AND CONTINGENCIES

Jubilee receives funds through the state and federal programs that are governed by various statutes and regulations. State program funding is based primarily on student attendance data submitted to the Texas Education Agency and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by Jubilee have should state or federal auditors discover areas on noncompliance, charter school funds may be subject to refund if so, determined by the Texas Education Agency or the grantor agency.

Jubilee is the defendant of lawsuits arising in the normal course of business operations. In the opinion of management, the outcome of these lawsuits is not expected to have a material adverse effect on the accompanying financial statements and accordingly, no provisions for losses have been recorded.

12. HEALTHCARE COVERAGE

During the year ended June 30, 2022, employees of Jubilee were covered by a health insurance plan (the plan). Jubilee contributed \$354 per month, per employee, respectively to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. All premiums were paid to licensed insurers.

13. RELATED PARTY AND COMMON CONTROL

For the year ended June 30, 2022, Jubilee Academic Center, Inc. had a board member who was paid a salary for services as Director of Administration in the amount of \$198,227.

The Jubilee Academic Foundation (the "Foundation"), a not-for-profit entity was organized to provide support to Jubilee School parent teacher organizations. The members of the Foundation Board are comprised of appointees by Jubilee's Board. The Foundations assets and liabilities are included in Jubilee's financial statements as cash and other liabilities. The Foundation's cash balance at June 30, 2022 was \$46,168.

14. SHARED SERVICES ARRANGEMENT

During the current year, Jubilee Academic Center, Inc. (Jubilee) was a member of the San Antonio Charter Schools Special Education Co-op and shared services arrangement (SSA). The Southwest Preparatory Charter School is the Fiscal Agent for the SSA. As a member of the SSA, Jubilee received special education (IDEA B Formula) services in the amount of \$974,019, and (IDEA B Preschool) services in the amount of \$9,766, as reported to Jubilee by the fiscal agent. In accordance with the guidance provided in the TEA Special Supplement to the Financial Accountability System Resource Guide, Charter Schools, Jubilee has accounted for the special education expenditures within their financial statements.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

15. RESTATEMENT OF BEGINNING NET ASSETS

The beginning net asset balances (without donor restrictions) were restated to correct accrued rent payable amount of \$635,699 and to properly report the amount of donor restricted net assets. The following is the effect on the beginning net asset balances:

	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>
Net Assets, June 30, 2021, as Reported	\$ 23,502,149	\$ 7,824,464	\$ 15,677,685
Correct Accrued Rent Liability	<u>635,699</u>	<u>635,699</u>	<u>-</u>
Net Assets, June 30, 2021, as Restated	<u>\$ 24,137,848</u>	<u>\$ 8,460,163</u>	<u>\$ 15,677,685</u>

16. SUBSEQUENT EVENTS

Jubilee has evaluated any potential subsequent events through November 4, 2022, the date of the audit report, and has determined that no additional subsequent events have occurred.

SUPPLEMENTARY INFORMATION

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Year Ended June 30, 2022

	<u>Totals</u>
EXPENSES	
6100 Payroll Costs	\$ 55,073,702
6200 Professional and Contracted Services	11,632,309
6300 Supplies and Materials	10,495,312
6400 Other Operating Costs	5,314,365
6500 Debt	<u>7,111,540</u>
Total Expenses	<u>\$ 89,627,228</u>

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF EXPENSES BY DETAILED FUNCTION

Year Ended June 30, 2022

		<u>Totals</u>
EXPENSES		
11	Instruction	\$ 40,907,249
12	Instructional Resources and Media Services	136,400
13	Curriculum Development and Instructional Staff Development	3,834,282
21	Instructional Leadership	390,794
23	School Leadership	5,458,579
31	Guidance, Counseling and Evaluation Services	1,401,548
32	Social Work Services	160,752
33	Health Services	769,993
34	Student (Pupil) Transportation	661,028
35	Food Services	4,663,100
36	Cocurricular/Extracurricular Activities	1,039,199
41	General Administration	8,025,015
51	Plant Maintenance and Operations	12,564,663
52	Security and Monitoring Services	555,047
53	Data Processing Services	1,473,292
61	Community Services	474,747
71	Debt Service	7,111,540
		<hr/>
Total Expenses		\$ 89,627,228
		<hr/> <hr/>

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF CAPITAL ASSETS

Year Ended June 30, 2022

	Ownership Interest		
	Local	State	Federal
1510 Land	\$ -	\$ 500,000	\$ -
1520 Buildings and Improvements	-	129,817,265	56,223
1530 Vehicles	25,292	1,289,411	9,169
1539 Furniture and Equipment	-	967,498	301,056
1550 Assets Purchased Under Capital Lease	-	525,892	-
Total Property and Equipment	<u>\$ 25,292</u>	<u>\$ 133,100,066</u>	<u>\$ 366,448</u>

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

Budgetary Comparison Schedule

Year Ended June 30, 2022

		BUDGETED AMOUNTS		ACTUAL	VARIANCE
		ORIGINAL	FINAL	AMOUNTS	BUDGET/ACTUAL
REVENUES					
5812	FSP-ADA Revenue	\$ 68,891,108	\$ 53,529,858	\$ 53,690,127	\$ 160,269
5811	ASF-ADA Revenue	-	2,260,590	3,250,573	989,983
5812	Target Percentage Attendance Rate Adjustment	-	1,819,544	1,957,546	138,002
5819	Foundation Entitlements	-	39,152	39,152	-
5740	Other Local Revenue	600,000	301,210	610,676	309,466
5742	Interest Revenue	-	35,392	81,214	45,822
5749	USAC Credit	-	343,299	-	(343,299)
5750	Other Local Revenue	275,000	302,562	303,216	654
5760	Local Grant Revenue	-	53,300	53,300	-
5829	School Lunch Matching Grant	15,000	47,444	47,444	(1)
5829	State Grant	1,000,000	167,411	221,087	53,676
5839	State Revenues	-	634,810	674,566	39,756
5910	Federal Grant	-	6,312	7,387	1,075
5919	USAC	-	2,519,198	2,519,198	-
5921	NSBP	730,000	972,565	836,451	(136,114)
5922	NSLP	2,400,000	2,665,827	2,726,912	61,085
5923	USDA Commodities	280,000	323,695	323,367	(328)
5922	SSO March-July 2020	-	-	-	-
5927	Emergency Snack Revenue	-	-	-	-
5929	Federal Grant	4,240,191	5,099,740	4,903,505	(196,235)
5929	ESSER II	-	2,874,655	2,811,867	(62,788)
5929	ESSER III	3,944,664	12,684,442	10,929,294	(1,755,148)
5929	Indirect Cost Rate Revenue	-	2,689,866	2,539,905	(149,961)
5939	CACFP	300,000	638,022	675,252	37,230
5939	Gear Up Revenue	-	1,097,963	1,290,045	192,082
Total Revenue		\$ 82,675,963	\$ 91,106,857	\$ 90,492,083	\$ (614,774)
EXPENSES					
11	Instructional	\$ 36,270,935	\$ 40,935,268	\$ 40,907,249	\$ 28,019
12	Instructional and Media Services	217,939	137,797	136,400	1,397
13	Curriculum Development and Inst. Staff Development	4,680,297	3,564,955	3,834,282	(269,327)
21	Instructional Leadership	500,964	391,811	390,794	1,017
23	School Leadership	5,206,463	5,451,079	5,458,579	(7,500)
31	Guidance, Counseling and Evaluation	1,482,588	1,446,551	1,401,548	45,003
32	Social Work	265,297	162,337	160,752	1,585
33	Health Services	833,827	767,225	769,993	(2,768)
34	Student Transportation	592,737	728,465	661,028	67,437
35	Food Service	3,950,000	4,635,818	4,663,100	(27,282)
36	Cocurricular/Extracurricular Activities	1,050,000	959,441	1,039,199	(79,758)
41	General Administration	5,923,770	7,787,398	8,025,015	(237,617)
51	Plant Maintenance and Monitoring Services	12,000,000	12,974,100	12,564,663	409,437
52	Security and Monitoring Services	600,000	518,856	555,047	(36,191)
53	Data Processing Services	1,809,941	1,413,870	1,473,292	(59,422)
61	Community Services	187,024	466,050	474,747	(8,697)
71	Debt Service	4,791,020	7,695,931	7,111,540	584,391
Total Expenses		\$ 80,362,802	\$ 90,036,952	\$ 89,627,228	\$ 409,724
Change in Net Assets		\$ 2,313,161	\$ 1,069,905	\$ 864,855	\$ (1,024,498)

UNAUDITED

Explanations of expenditures variances exceeding 10% for final budget to actual:

Function 34-Expenses were lower than expected and threshold of variance lower due to the amount of budgeted in function

Explanations of expenditures variances exceeding 10% for original budget to final budget:

Function 11 - More purchases made with additional funding like USAC
Function 12 - Library positions reduced from originally planned
Function 13 - Decreased positions in function
Function 21 - Decreased positions in function
Function 32 - Decreased positions in function
Function 34 - Added expenses like payroll tied to purchasing more buses to fill in a need not originally planned at the beginning of the year
Function 35 - Increased funding tied with increased food costs not anticipated at the beginning of the year
Function 41 - Added District positions with Gear Up grant not expected at the beginning of the year
Function 52 - Security service was not utilized as planned at beginning of the year
Function 53 - Lower than expected expenses tied to supply chain issues with technology not arriving during fiscal year
Function 61 - The addition of Gear Up grant added additional expenses in function not anticipated at the beginning of the year
Function 71 - Restructured debt in the middle of the year, which added 2 additional buildings

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF REAL PROPERTY OWNERSHIP INTEREST

For the Year Ended June 30, 2022

Description (list each parcel separately)	Property Address	Total Assessed Value	Ownership Interest - Local	Ownership Interest - State	Ownership Interest - Federal
NCB 13841 BLK 1 LOT 87 (JUBILEE ACADEMY SUBD)	4434 Roland Road, S.A., TX 78222	\$ 3,698,380		\$ 3,698,380	
NCB 10838 BLK LOT 31 JUBILEE ACADEMIC SUBD	4427 Chandler, S.A. TX 78222	17,695,110		17,695,110	
NCB 10129 BLK LOT SE IRR 1430.29 FT OF 7	1515 Goliad Road, S.A., TX 78223	23,930,470		23,930,470	
NCB 3684 BLK 110 LOT 5 NCB 7003 BLK LOT 2	325 Castroville Road, S.A., TX 78207	9,934,490		9,934,490	
UNIT 4 SHORELINE CHURCH CONDOMINIUMS PLUS 16.0% INT IN COM AREA	1501 Burnet Road, Austin, TX 78728	5,334,264		5,334,264	
LOT 1A BLK A AUSTIN CHRISTIAN FAITH CENTER RESUB	3711 Shoreline Drive, Austin, TX 78728	13,357,881		13,357,881	
LOT 2 BLK 1 JUNITOE COMMERCIAL SUBDIVISION PHASE 1 REPLAT (2015 REPLAT C1-3235 CCMR FILED 1/30/2014)	4955 Pablo Kisel Blvd., Brownsville, TX 78520	5,227,801		5,227,801	
LOT 1 BLK 1 PALM COURT SUBDIVISION (2020 PLAT C1-3864 CCMR FILED 2/15/2019)	123 S. Palm Court Dr., Harlingen, TX 78552	3,302,724		3,302,724	
NCB 15391 (LEARNING SCHOOLS OF TEXAS) BLOCK 50 LOT 2	8038 W. Military Dr., S.A., TX 78227	500,860		500,860	

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF RELATED PARTY COMPENSATION AND BENEFITS

For the Year Ended June 30, 2022

<u>Related Party Name</u>	<u>Name of Relation of the Related Party</u>	<u>Relationship</u>	<u>Compensation of Benefit</u>	<u>Payment Frequency</u>	<u>Description</u>	<u>Source of Funds Used</u>	<u>Total Paid During FY</u>
Thomas J. Koger	Self	Board Member and CEO	Compensation	Monthly	Employee and Volunteer	State	\$ 198,227

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF REQUIRED RESPONSES TO SELECTED COMPENSATORY
AND BILINGUAL EXPENDITURES

Year Ended June 30, 2022

Data Codes	Section A: Compensatory Education Programs	Column 1 Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the District's fiscal year?	YES
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	YES
AP3	List the total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 7,591,787
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$ 5,981,919
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	YES
AP6	Does the LEA have written policies and procedures for its bilingual education program?	YES
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year. (PIC's 25,35)	\$ 767,672
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	\$ 478,576

SINGLE AUDIT SECTION

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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
Jubilee Academic Center, Inc.
San Antonio, Texas

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 Jubilee (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 4, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jubilee's internal control over financial reporting 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 Jubilee's internal control. Accordingly, we do not express an opinion on the effectiveness of Jubilee'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 the 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 Jubilee’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 Standards*.

Other Matters

We noted certain matters that we reported to management of Jubilee in a separate letter dated November 4, 2022.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "George Gonzalez" with a stylized flourish underneath.

November 4, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Directors
Jubilee Academic Center, Inc.
San Antonio, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jubilee's compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of Jubilee's major federal programs for the year ended June 30, 2022. Jubilee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jubilee complied, in all material respects, with the types of 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; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jubilee 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 Jubilee's 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 Jubilee's federal programs.

Auditor's 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 Jubilee'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 generally accepted auditing standards, *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 Jubilee's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Jubilee's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jubilee'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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jubilee'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.

Other Matters

We noted a certain matter that we reported to management of Jubilee in a separate letter dated November 4, 2022

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 Auditor's 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.

Purpose of this report

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.

A handwritten signature in black ink, appearing to read "Lopez / Gonzalez & Associates". The signature is written in a cursive style with a large, sweeping flourish at the end.

November 4, 2022

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION I --- SUMMARY OF AUDITOR'S RESULTS

<i>Financial Statements</i>			
	Type of auditor's report issued:	<u>Unmodified</u>	
	Internal control over financial reporting: • Material weakness (es) identified?	<u> </u> Yes	<u> X </u> No
	• Significant deficiencies identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported
	Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

<i>Federal Awards</i>			
	Internal control over major programs: • Material weakness (es) identified?	<u> </u> Yes	<u> X </u> No
	• Significant deficiencies identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None Reported
	Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>	
	Any audit findings disclosed that are required to be reported in accordance with Circular 2 CFR, Section. 200.516(a)?	<u> </u> Yes	<u> X </u> No

<i>Identification of Major Programs</i>		
CFDA Numbers(s)	Name of Federal Program or Cluster	
84.334A	Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)	
84.425D, 84.425U	Elementary and Secondary Schools Emergency Relief Fund (ESSER) Grants: ESSER II – Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) ESSER III – American Rescue Plan (ARP) & Texas COVID Learning Acceleration Supports (TCLAS) Program	
32.009	Emergency Connectivity Fund Program (ARPA)	
	Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
	Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

SECTION II --- FINANCIAL STATEMENT FINDINGS

There were no financial statement findings required to be reported in accordance with *Government Auditing Standards*.

SECTION III --- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs required to be reported by the Uniform Guidance, Section 200.516(a).

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2022

There were no prior year findings reported.

JUBILEEE ACADEMIC CENTER
San Antonio, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2022

Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through State Department of Education			
ESEA Title I, Part A Improving Basic Programs	84.010A	20610101015822	\$ 48,670
ESEA Title I, Part A Improving Basic Programs	84.010A	21610101015822	105,972
ESEA Title I, Part A Improving Basic Programs	84.010A	22610101015822	2,354,959
ESEA Title I 1003(A)- School Improvement Grant	84.010A	21610141015822	56,810
ESEA Title I 1003(A)- School Improvement Grant	84.010A	22610141015822	32,010
ESEA Title I 1003(A)- ESF-FOCUS	84.010A	22610141015822	53,773
Total CFDA No. 84.010A			<u>2,652,194</u>
PERKINS V: Strengthening CTE for 21st Century	84.048A	22420006015822	<u>122,900</u>
ESEA Title II Part A- Supporting Effective Instruction	84.367A	22694501015822	<u>299,014</u>
Title III, Part A-ELA	84.365A	21671001015822	27,668
Title III, Part A-ELA	84.365A	22671001015822	196,228
Total CFDA No. 84.365A			<u>223,896</u>
ESEA Title IV Part A, Subpart 1	84.424A	20680101015822	94,035
ESEA Title IV Part A, Subpart 1	84.424A	21680101015822	6,748
ESEA Title IV Part A, Subpart 1	84.424A	22680101015822	139,757
Total CFDA No. 84.424A			<u>240,540</u>
LEP Summer School	84.369A	69552002	<u>2,949</u>
Education Stabilization Fund - ESSER II Grant (CRRSA)	84.425D	21521001015822	<u>2,811,867</u>
Education Stabilization Fund - ESSER III Grant (ARP)	84.425U	21528001015822	<u>12,489,303</u>
STOP School Violence	16.839	194310027110004	<u>18,680</u>
Gaining Early Awareness and Readiness for Undergraduate Program	84.334A	P334A210015	<u>1,346,571</u>
Tclass-Esser III (ARP / TCLAS)	84.4525U	21528042015822	<u>549,414</u>
Total Passed Through State Department of Education			<u>20,757,328</u>
Passed Through Education Service Center, Region 20			
ESEA Title X, Education for Homeless Children and Youth	84.196A	662-1-08	<u>7,387</u>
Total Passed Through Education Service Center, Region 20			<u>7,387</u>
Passed Through Southwest Preparatory School			
IDEA Part B, Formula	84.027	20660001015807600	<u>974,019</u>
Total CFDA No. 84.027			<u>974,019</u>
IDEA Part B, Preschool	84.173	156610010158076610	<u>9,766</u>
Total CFDA No. 84.173			<u>9,766</u>
Total Passed Through Southwest Preparatory School			<u>983,785</u>
Total U.S. Department of Education			<u>21,748,500</u>
U.S. Department of Agriculture			
Passed Through Texas Department of Agriculture			
School Breakfast Program (SBP) *	10.553	* 71402101/71402201	991,595
National School Lunch Prg-NSLP *	10.555	* 71302101/71302201	3,232,695
National School Lunch Program - Noncash Assistance *	10.555	* N/A	323,367
Supply Chain Grant	10.555	226TX400N8903	167,589
Child Nutrition Cluster Subtotal			<u>4,715,246</u>
CACFP Program	10.558	216TX332N1099	443,669
National School Lunch Program Equipment Grant	10.579	6TX300355	<u>63,995</u>
Total Passed Through Texas Department of Agriculture			<u>5,222,910</u>
Total U.S. Department of Agriculture			<u>5,222,910</u>
Federal Communications Commission			
Emergency Connectivity Fund Program (APRA)	32.009	27-1913-0-1-376	<u>2,519,198</u>
Total Federal Communications Commission			<u>2,519,198</u>
Total Expenditures of Federal Awards			<u>\$ 29,490,607</u>

* Clustered programs

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

1. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jubilee Academic Center and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.
2. The expenditures for the child nutrition cluster are reported to the extent of program revenues.
3. Jubilee did not elect to use the 10% de minimis indirect cost rate provided by the Uniform Guidance.
4. There were no loan guarantees during the year.
5. There were no sub-recipients during the year.