

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

JUBILEE ACADEMIC CENTER, INC. San Antonio, Texas

ANNUAL FINANCIAL AND COMPLIANCE REPORT

For the Year Ended June 30, 2021

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

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JUBILEE ACADEMIC CENTER, INC.

BEXAR

015-822

Name of School District

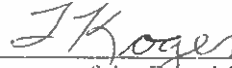
County

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, 2021, at a meeting of the governing body of said charter school on the 15 day of November 2021.



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

We have audited the accompanying financial statements of Jubilee Academic Center, Inc., (a nonprofit organization) (Jubilee), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jubilee as of June 30, 2021, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. 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 9, 2021 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.



November 9, 2021

FINANCIAL STATEMENTS

JUBILEE ACADEMIC CENTER, INC.
SAN ANTONIO, TX

STATEMENT OF FINANCIAL POSITION

June 30, 2021

ASSETS

| | |
|--------------------------------------|-----------------------|
| Current Assets | |
| Cash and Cash Equivalents | \$ 14,635,799 |
| Other Receivables | 63,253 |
| Due from Texas Education Agency | 18,768,420 |
| Deferred Expenses | 122,805 |
| Other Assets | 71,000 |
| Total Current Assets | <u>33,661,277</u> |
| Non-Current Assets | |
| Restricted Cash and Cash Equivalents | 12,298,127 |
| Property and Equipment - Net | <u>91,978,597</u> |
| Total Non-Current Assets | <u>104,276,724</u> |
| TOTAL ASSETS | <u>\$ 137,938,000</u> |

LIABILITIES AND NET ASSETS

| | |
|---|-----------------------|
| Current Liabilities | |
| Accounts Payable | \$ 1,222,979 |
| Accrued Payroll and Payroll Liabilities | 4,824,870 |
| Current Portion of Long-Term Debt | 2,239,446 |
| Accrued Interest Payable | 1,971,028 |
| Other Liabilities | 94,179 |
| Total Current Liabilities | <u>10,352,502</u> |
| Non-Current Liabilities | |
| Long-Term Debt, Net of Current Portion | <u>104,083,350</u> |
| Total Liabilities | <u>114,435,851</u> |
| Net Assets | |
| Temporarily Restricted | 15,677,686 |
| Unrestricted | <u>7,824,463</u> |
| Total Net Assets | <u>23,502,149</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 137,938,000</u> |

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

JUBILEE ACADEMIC CENTER, INC.
SAN ANONIO, TEXAS

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

| | Without Donor Restrictions | With Donor Restrictions | Totals |
|---|-------------------------------|----------------------------|----------------------|
| REVENUES | | | |
| Local Support | | | |
| Revenue From Cocurricular, Enterprising Services | \$ 62,793 | \$ 22,913 | \$ 85,706 |
| Other Revenue From Local Sources | 176,535 | 160,204 | 336,739 |
| Total Local Support | <u>239,328</u> | <u>183,118</u> | <u>422,445</u> |
| State Program Revenues | | | |
| Foundation School Program | - | 63,010,867 | 63,010,867 |
| Other State Aid | - | 198,648 | 198,648 |
| Total State Program Revenues | <u>-</u> | <u>63,209,515</u> | <u>63,209,515</u> |
| Federal Program Revenues | | | |
| National School Lunch Program | - | 1,219,677 | 1,219,677 |
| School Breakfast Program | - | 486,900 | 486,900 |
| School Program Emergency Operational Cost Reimbursement Program | - | 333,747 | 333,747 |
| USDA, Donated Commodities | - | 270,085 | 270,085 |
| Child and Adult Care Food Program | - | 154,578 | 154,578 |
| ESEA Title X, Education for Homeless children and Youth | - | 6,631 | 6,631 |
| ESEA Title IV, Part A | - | 68,458 | 68,458 |
| ESEA Title II, Part A | - | 370,621 | 370,621 |
| ESEA Title III, Part A | - | 80,731 | 80,731 |
| ESEA Title III, Migrant | - | 8,337 | 8,337 |
| ESEA Career and Technical Education-Basic grant | - | 53,959 | 53,959 |
| ESSER I Grant | - | 1,418,779 | 1,418,779 |
| ESSER II Grant | - | 5,551,199 | 5,551,199 |
| Stop School Violence | - | 6,320 | 6,320 |
| ESEA Title I, Part A | - | 2,165,405 | 2,165,405 |
| ESEA Title I 1003(A)-School Improvement Grant | - | 414,035 | 414,035 |
| ESEA Title I, School Improvement Academy Grant | - | 2,900 | 2,900 |
| IDEA B, Formula | - | 898,644 | 898,644 |
| IDEA B,Preschool | - | 2,671 | 2,671 |
| TDEM- Coronavirus Relief Care act | - | 88,397 | 88,397 |
| Total Federal Program Revenues | <u>-</u> | <u>13,602,073</u> | <u>13,602,073</u> |
| Net Assets Released from Restrictions | | | |
| Restrictions Satisfied by Payments | 69,714,290 | (69,714,290) | - |
| TOTAL REVENUES | <u>69,953,618</u> | <u>7,280,416</u> | <u>77,234,033</u> |
| EXPENSES | | | |
| Program Services | | | |
| Instruction and Instructional Related Services | 34,902,972 | - | 34,902,972 |
| Instruction and Social Leadership | 5,062,786 | - | 5,062,786 |
| Support Services | | | |
| Student (Pupil) | 5,889,795 | - | 5,889,795 |
| Administrative | 6,716,109 | - | 6,716,109 |
| Non-Student Based | 11,681,323 | - | 11,681,323 |
| Community Service | 260,231 | - | 260,231 |
| Debt Service | 5,355,075 | - | 5,355,075 |
| Total Expenses | <u>69,868,291</u> | <u>-</u> | <u>69,868,291</u> |
| Changes in Net Assets | <u>85,326</u> | <u>7,280,416</u> | <u>7,365,742</u> |
| Net Assets - Beginning of Year | <u>7,739,137</u> | <u>8,397,270</u> | <u>16,136,407</u> |
| Net Assets - End of Year | <u>\$ 7,824,463</u> | <u>\$ 15,677,686</u> | <u>\$ 23,502,149</u> |

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

JUBILEE ACADEMIC CENTER, INC.
SAN ANTONIO, TX

STATEMENT OF CASH FLOWS

Year Ended June 30, 2021

| | 2021 |
|--|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Foundation School Program Payments | \$ 62,359,034 |
| Grant Payments - Federal Programs | 6,343,005 |
| Payments from Local Sources | 534,235 |
| Interest Revenue | 107,672 |
| Interest Expense | (5,355,075) |
| Payments to Vendors for Goods and Services Rendered | (16,609,080) |
| Payments to Charter School Personnel for Services Rendered & for Benefits | (44,947,380) |
| Net Cash Provided by Operating Activities | 2,432,411 |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Principal Payment on bond-16 Issuance | (1,395,000) |
| Principal Payment on bond-17 Issuance | (710,000) |
| Principal Payments on Capital Leases | (43,033) |
| Proceeds from Issuance of Long-Term Debt | 114,792 |
| Net Cash Used by Financing Activities | (2,033,241) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Furniture and Equipment Purchased | (310,922) |
| Net Cash Used by Investing Activities | (310,922) |
| Net Increase in Cash and Cash Equivalents | 88,248 |
| Cash at Beginning of Year | 26,845,678 |
| Cash at Ending of Period | \$ 26,933,926 |
| <u>Reconciliation to Statement of Financial Position</u> | |
| Cash and Cash Equivalents | \$ 14,635,799 |
| Restricted Cash and Cash Equivalents | 12,298,127 |
| Total Cash and Cash Equivalents | \$ 26,933,926 |
| RECONCILIATION OF CHANGE IN NET ASSET TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Change in Net Assets | \$ 7,365,742 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities | |
| Net Cash Provided by Operating Activities | |
| Depreciation Expense | \$ 2,933,032 |
| Amortization of Debt Issuance Cost and Premium/Discount on Bonds | 85,432 |
| (Increase) Decrease in Assets | |
| Due from State | (7,910,901) |
| Accounts Receivable | 20,814 |
| Other Assets | (45,678) |
| Increase (Decrease) in Liabilities | |
| Accounts Payable | 555,112 |
| Accrued Wages Payable | 355,298 |
| Accrued interest | (27,307) |
| Other Liabilities | (20,480) |
| Due to State | (878,653) |
| Net Cash Provided by Operating Activities | \$ 2,432,411 |

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, 2021

| | Payroll Costs | Professional & Contracted Services | Supplies & Materials | Other Operating Costs | Debt | 2021 Total |
|--|----------------------|--|-------------------------|-----------------------------|---------------------|----------------------|
| Program Services: | | | | | | |
| Instructional and Instructional Related Services | \$ 29,143,970 | \$ 2,801,005 | \$ 2,829,409 | \$ 128,589 | \$ - | \$ 34,902,972 |
| Instructional and School Leadership | 4,642,006 | 87,656 | 245,978 | 87,147 | - | 5,062,786 |
| Student Support Services | 3,909,967 | 245,519 | 1,532,011 | 202,299 | - | 5,889,795 |
| Total Program Services | 37,695,942 | 3,134,180 | 4,607,397 | 418,035 | - | 45,855,554 |
| Support Services: | | | | | | |
| Administrative Support Services | 4,570,371 | 861,608 | 373,450 | 910,679 | - | 6,716,109 |
| Support Services -Nonstudent Based | 2,786,312 | 5,505,769 | 429,487 | 2,959,755 | - | 11,681,323 |
| Community Service | 250,054 | 1,581 | 6,279 | 2,317 | - | 260,231 |
| Debt Service | - | - | - | - | 5,355,075 | 5,355,075 |
| Fundraising | - | - | - | - | - | - |
| Total Support Services | 7,606,736 | 6,368,959 | 809,217 | 3,872,751 | 5,355,075 | 24,012,738 |
| Total Expenses | \$ 45,302,678 | \$ 9,503,138 | \$ 5,416,614 | \$ 4,290,787 | \$ 5,355,075 | \$ 69,868,291 |

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, 2021

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 ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

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.

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.

Inventories

Inventories are stated at cost and expensed when purchased. There was no inventory as of June 30, 2021.

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.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2021.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 relates 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 associates with instructional campuses (program services) or with administrative buildings.

2. CASH AND INVESTMENTS

As of June 30, 2021, cash and cash equivalents consisted of:

| | |
|----------------------------------|----------------------|
| Unrestricted | |
| Cash in Bank | \$ 2,322,956 |
| Cash-Trust Fund | 9,007 |
| Cash Equivalents | |
| TexPool Investment Pool | 13,267 |
| Certificate of Deposit | 6,571,645 |
| Money Market Funds | 5,718,924 |
| Total Unrestricted | <u>\$ 14,635,799</u> |
| Restricted | |
| Cash – Jubilee Foundation | \$ 21,473 |
| TexPool Investment Pool | 7,613,663 |
| Money Market Fund – Debt Service | 4,662,991 |
| Total Restricted | <u>\$ 12,298,127</u> |
| Total | <u>\$ 26,933,926</u> |

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

2. CASH AND INVESTMENTS (Continued)

Deposits

At June 30, 2021, the carrying amount of the Jubilee's deposits was \$26,933,926 and the bank balance was \$27,106,294. All deposits are adequately insured with FDIC coverage and pledged collateral at June 30, 2021.

At June 30, 2021, the carrying amount for the Jubilee Academic foundation account from BBVA Compass was \$21,473 and the bank balance was \$20,523.

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, 2021

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, 2021 are as follows:

| | |
|--|----------------------|
| Financial Assets at June 30, 2021: | |
| Cash and Cash Equivalents | \$ 26,933,926 |
| Operating Accounts Receivable | 18,831,673 |
| Total Financial Assets | <u>45,765,599</u> |
| Less Financial Assets Not Available for General Expenditure | |
| Cash Restricted for Long-Term Purposes | <u>(12,298,127)</u> |
| Total Financial Assets Not Available for General Expenditure | <u>(12,298,127)</u> |
| Total Financial Assets Available for General Expenditure | <u>\$ 33,467,472</u> |

4. PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2021 is comprised of the following:

| | |
|--|----------------------|
| Land | \$ 500,000 |
| Buildings and Improvements | 104,178,030 |
| Vehicles | 326,801 |
| Furniture and Equipment | <u>1,711,004</u> |
| Total Property and Equipment | 106,715,835 |
| Accumulated Depreciation | <u>(14,737,238)</u> |
| Property and Equipment Net of Accumulated Depreciation | <u>\$ 91,978,597</u> |

Depreciation expense for the period ended June 30, 2021 was \$2,986,115.

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 \$852,249 and utilities and other costs (garbage disposal, improvements, etc.) under the leases were \$233,495.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

5. OPERATING LEASES (Continued)

Future minimum lease payments at June 30, 2021 are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------|
| 2022 | \$ 842,769 |
| 2023 | 842,769 |
| 2024 | 842,769 |
| 2025 | 842,769 |
| 2026 | 842,769 |
| | <u>\$ 4,213,845</u> |

B. TECHNOLOGY EQUIPMENT LEASES

On November 20, 2014, Jubilee entered into three operating lease agreements for various technology and network communication equipment. All three leases have a five-year term consisting of 20 quarterly payments. Lease expenses for the equipment in 2021 was \$36,630.

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 2021 was \$96,600.

Future minimum lease payments as of June 30, 2021 are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|------------------|
| 2022 | \$ 48,300 |
| | <u>\$ 48,300</u> |

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 2021 was \$71,074.

Future minimum lease payments as of June 30, 2021 are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|------------------|
| 2022 | \$ 35,537 |
| | <u>\$ 35,537</u> |

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 2021 was \$95,694.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

5. OPERATING LEASES (Continued)

Future minimum lease payments as of June 30, 2021 are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|------------------|
| 2022 | \$ 95,694 |
| | <u>\$ 95,694</u> |

On July 25, 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 2021 was \$23,561.

| <u>Year</u> | <u>Amount</u> |
|-------------|------------------|
| 2022 | \$ 23,561 |
| | <u>\$ 23,561</u> |

On July 25, 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 2021 was \$99,921.

Future minimum lease payments as of June 30, 2021 are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|------------------|
| 2022 | \$ 99,921 |
| | <u>\$ 99,921</u> |

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 2021 was \$124,495.

Future minimum lease payments as of June 30, 2021 are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|-------------------|
| 2022 | \$ 124,495 |
| | <u>\$ 124,495</u> |

On January 15, 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 2021 was \$41,161.

Future minimum lease payments as of June 30, 2021 are as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|------------------|
| 2022 | \$ 41,161 |
| | <u>\$ 41,161</u> |

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

5. OPERATING LEASES (Continued)

On January 21, 2021, 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 2021 was \$18,227.

Future minimum lease payments as of June 30, 2021 are as follows:

| Year | Amount |
|------|-----------|
| 2022 | \$ 36,455 |
| 2023 | 36,455 |
| 2024 | 18,228 |
| | \$ 91,137 |

6. BUILD TO SUIT LEASE AND OPTION

In the 2019 Jubilee Academic Center Inc. entered into two build to suit lease agreements for two school building facilities, including furniture and equipment. The schools are located in San Antonio and Harlingen, Texas. The current year lease expense for the two schools is \$1,897,080. The lease agreements provide 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 | San Antonio | Harlingen |
|-----------------|-------------|------------|
| 1 st | \$ 918,096 | \$ 895,620 |
| 2 nd | 941,052 | 918,012 |
| 3 rd | 964,572 | 940,956 |
| 4 th | 988,692 | 964,488 |
| 5 th | 1,013,412 | 988,596 |

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:

| Option Period | San Antonio | Harlingen |
|-----------------|---------------|---------------|
| 1 st | \$ 12,437,054 | \$ 12,132,502 |
| 2 nd | 12,116,787 | 11,820,077 |
| 3 rd | 12,223,543 | 11,924,219 |
| 4 th | 12,330,298 | 12,028,361 |
| 5 th | 12,437,054 | 12,132,502 |

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

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, 2021.

Funding Policy

Under provisions in state law, plan members and the State are each required to contribute 7.7% and 7.5% 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 \$3,207,627 to TRS for the period ended June 30, 2021. 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 | |
|--|--------------------|------|
| | 2020 | 2021 |
| Member | 7.7% | 7.7% |
| Non-Employer Contributing Entity (State) | 7.5% | 7.5% |
| Employers | 7.5% | 7.5% |

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

7. PENSION PLAN OBLIGATIONS (Continued)

| | |
|--|----------------------------------|
| Legal Name of Plan | Texas Retirement System of Texas |
| Plan's Employer Identification Number | N/A |
| Total Plan Assets | \$184,361,870,581 |
| Accumulated Benefit Obligations | \$218,974,205,000 |
| Percentage Plan was Funded | 75.54 % 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 | \$461,074,239 |

Information per 08/31/2020 TRS CAFR

For the year ended June 30, 2021, the Charter School contributed \$1,340,018 the required contributions for the year, on behalf of its employees to TRS, which included \$607,640 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, 2021

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 | |
|---|--------------------|-------|
| | 2020 | 2021 |
| 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, 2021, Jubilee contributed \$312,379, 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 April 30, 2021, Jubilee entered into a revolving line of credit with Fayetteville Bank for \$7,500,000. The note bears an initial interest rate of 3% and is variable thereafter. The note matures on February 5, 2022 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, 2021, 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, 2021

10. LONG TERM DEBT

| Description | Interest Rate | Balance Outstanding 07/01/2020 | Issued Current Year | Retired Current Year | Balance Outstanding 06/30/2021 | Amounts Due Within One Year |
|---------------------------------|---------------|-----------------------------------|------------------------|-------------------------|-----------------------------------|--------------------------------|
| Capital Lease (Presidio#675564) | 5.00% | \$ 37,851 | \$ - | \$ (24,920) | \$ 12,931 | \$ 12,931 |
| Capital Lease (TQ#426527) | 4.39% | - | 114,792 | (18,114) | 96,678 | 37,436 |
| Cost of Debt Issuance | N/A | (2,509,381) | - | 94,511 | (2,414,870) | - |
| Premiums and Discounts | N/A | 236,436 | - | (9,078) | 227,358 | 9,078 |
| Built To Suit Lease- Acc Rent | N/A | 635,698 | - | - | 635,698 | - |
| Bond – Series 2016 | 3.375%-5.00% | 71,000,000 | - | (1,395,000) | 69,605,000 | 1,445,000 |
| Bond – Series 2017 | 3.625%-5.125% | 38,870,000 | - | (710,000) | 38,160,000 | 735,000 |
| Total | | \$ 108,270,604 | \$ 114,792 | \$ (2,062,600) | \$ 106,322,795 | \$ 2,239,446 |

Series 2016 Bond: On October 27, 2016, Jubilee Academic Center (Jubilee) issued \$73,650,000 of Education Revenue Bonds, Series 2016. Per the Limited Offering Memorandum, the proceeds from the sale of the Bonds will be loaned by the “Issuer” (a public nonprofit corporation created by the Town of New Hope, Texas) to Jubilee (a Texas nonprofit corporation and a 501(c)(3) organization with an open-enrollment charter granted pursuant to Chapter 12 of the Texas Education Code, Jubilee Academic Center, Inc.) for the purposes of (a) refinancing certain prior indebtedness of Jubilee, (b) exercising certain purchase options to purchase certain of Jubilee’s leased facilities, (c) funding a debt service reserve fund for the Bonds, and (d) paying certain of the costs of issuing the Bonds.

Covenants Debt Service Coverage. Jubilee covenants to maintain a Debt Service Coverage Ratio of at least 1.1:1.0 for the year ended June 30, 2021 and for each Fiscal Year thereafter until the Bonds are paid in full as evidence by the Jubilee 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, 2021. Jubilee is in compliance with such requirements.

| June 30, | Principal on Series 2016A Tax Exempt Bonds | Interest on Series 2016A Tax Exempt Bonds | Total Debt Service |
|------------|--|--|--------------------|
| 2022 | \$ 1,445,000 | \$ 3,333,196 | \$ 4,778,196 |
| 2023 | 1,495,000 | 3,274,775 | 4,769,775 |
| 2024 | 1,555,000 | 3,212,875 | 4,767,875 |
| 2025 | 1,615,000 | 3,148,575 | 4,763,575 |
| 2026 | 1,680,000 | 3,081,700 | 4,761,700 |
| Thereafter | 61,815,000 | 36,712,663 | 98,527,663 |
| Total | \$ 69,605,000 | \$ 52,763,784 | \$ 122,368,784 |

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

10. LONG TERM DEBT (Continued)

Series 2017 Bond: On May 31, 2017, Jubilee Academic Center (Jubilee) issued \$39,270,000 of Education Revenue Bonds, Series 2017. Per the Limited Offering Memorandum, the proceeds from the sale of the Bonds will be loaned by the Issuer to the Company for the purposes of (a) financing or refinancing the costs of acquiring, constructing and equipping of a new campus to house Alamo Leadership Academy (the “ALA Campus”), (b) exercising a certain purchase option to purchase the Athlos Leadership Academy – Premier campus (the “Premier Campus”) that is being leased to Jubilee, (c) funding a debt service reserve fund for the Bonds, and (d) paying certain of the costs of issuing the Bonds.

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, 2021 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, 2021. Jubilee is in compliance with such requirements.

| June 30, | Principal on Series 2017A Tax Exempt Bonds | Interest on Series 2017A Tax Exempt Bonds | Total Debt Service |
|------------|--|---|-----------------------|
| 2022 | \$ 735,000 | \$ 1,856,893 | \$ 2,591,893 |
| 2023 | 765,000 | 1,829,298 | 2,594,298 |
| 2024 | 790,000 | 1,796,453 | 2,586,453 |
| 2025 | 825,000 | 1,761,577 | 2,586,577 |
| 2026 | 860,000 | 1,725,212 | 2,585,212 |
| Thereafter | 34,185,000 | 21,900,620 | 56,085,620 |
| Total | \$ 38,160,000 | \$ 30,870,053 | \$ 69,030,053 |

Capital Lease

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 the related amortization is included in accumulated depreciation/amortization in the amount of \$112,070.

Interest paid relating to capital lease for the year ended June 30, 2021, totaled \$1,430

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

10. LONG TERM DEBT (Continued)

Future minimum payments on the capital leases payable at June 30, 2021 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|------------------|-----------------|------------------|
| 2022 | \$ 12,932 | \$ 243 | \$ 13,175 |
| Total | <u>\$ 12,932</u> | <u>\$ 243</u> | <u>\$ 13,175</u> |

On November 1, 2017, Jubilee entered into a master lease/purchase agreement in the original amount of \$25,976 with Apple Inc. for the purchase of personal computers and other information technology equipment. The leases are payable over three (3) years in three (3) yearly payments of \$9,898. 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 \$25,976 and the related amortization is included in accumulated depreciation/amortization in the amount of \$25,976.

Interest paid relating to capital lease for the year ended June 30, 2021, totaled \$216.

On December 1, 2017, Jubilee entered into a master lease/purchase agreement in the original amount of \$83,454. with Apple Inc. for the purchase of personal computers and other information technology equipment. The leases are payable over three (3) years in three (3) yearly payments of \$29,693. 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 \$83,454 and the related amortization is included in accumulated depreciation/amortization in the amount of \$83,454.

Interest paid relating to capital lease for the year ended June 30, 2021, totaled \$399.

On January 26, 2021, 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 \$19,132.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

10. LONG TERM DEBT (Continued)

Interest paid relating to capital lease for the year ended June 30, 2021, totaled \$2,419.61.

Future minimum payments on the capital leases payable at June 30, 2021, are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|------------------|-----------------|-------------------|
| 2022 | \$ 37,436 | \$ 3,632 | \$ 41,068 |
| 2023 | 39,041 | 2,026 | 41,067 |
| 2024 | 20,201 | 333 | 20,534 |
| Total | <u>\$ 96,678</u> | <u>\$ 5,991</u> | <u>\$ 102,669</u> |

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, 2021, employees of Jubilee were covered by a health insurance plan (the plan). Jubilee contributed \$322 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, 2021, Jubilee Academic Center, Inc. had a board member who was paid a salary for services as Director of Administration in the amount of \$183,775.

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, 2021 was \$21,473.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

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 \$898,644, and (IDEA B Preschool) services in the amount of \$2,671, 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.

15. SUBSEQUENT EVENTS

Jubilee has evaluated any potential subsequent events through November 9, 2021, the date of the audit report, and has determined that no additional subsequent events have occurred.

OTHER SUPPLEMENTAL INFORMATION

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF EXPENSES BY OBJECT CODE

Year Ended June 30, 2021

| | <u>Totals</u> |
|---|----------------------|
| EXPENSES | |
| 6100 Payroll Costs | \$ 45,302,678 |
| 6200 Professional and Contracted Services | 9,503,138 |
| 6300 Supplies and Materials | 5,416,614 |
| 6400 Other Operating Costs | 4,290,787 |
| 6500 Debt | <u>5,355,075</u> |
| Total Expenses | <u>\$ 69,868,291</u> |

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF EXPENSES BY DETAILED FUNCTION

Year Ended June 30, 2021

| | | <u>Totals</u> |
|----------------|--|---------------|
| EXPENSES | | |
| 11 | Instruction | \$ 31,655,768 |
| 12 | Instructional Resources and Media Services | 136,877 |
| 13 | Curriculum Development and Instructional Staff Development | 3,110,326 |
| 21 | Instructional Leadership | 420,374 |
| 23 | School Leadership | 4,642,413 |
| 31 | Guidance, Counseling and Evaluation Services | 1,021,113 |
| 32 | Social Work Services | 117,480 |
| 33 | Health Services | 738,700 |
| 34 | Student (Pupil) Transportation | 392,142 |
| 35 | Food Services | 2,963,174 |
| 36 | Cocurricular/Extracurricular Activities | 657,186 |
| 41 | General Administration | 5,217,534 |
| 51 | Plant Maintenance and Operations | 11,419,219 |
| 52 | Security and Monitoring Services | 262,104 |
| 53 | Data Processing Services | 1,498,575 |
| 61 | Community Services | 260,231 |
| 71 | Debt Service | 5,355,075 |
| | | <hr/> |
| Total Expenses | | \$ 69,868,291 |
| | | <hr/> <hr/> |

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF CAPITAL ASSETS

Year Ended June 30, 2021

| | | Ownership Interest | | |
|------------------------------|--------------------------------------|--------------------|-----------------------|-------------------|
| | | Local | State | Federal |
| 1510 | Land | \$ - | \$ 500,000 | \$ - |
| 1520 | Buildings and Improvements | - | 104,121,807 | 56,223 |
| 1530 | Vehicles | 25,292 | 292,341 | 9,169 |
| 1539 | Furniture and Equipment | - | 948,049 | 237,062 |
| 1550 | Assets Purchased Under Capital Lease | - | 525,892 | - |
| Total Property and Equipment | | <u>\$ 25,292</u> | <u>\$ 106,388,089</u> | <u>\$ 302,454</u> |

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

Budgetary Comparison Schedule

Year Ended June 30, 2021

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE |
|---|----------------------|----------------------|----------------------|--------------------|
| | ORIGINAL | FINAL | AMOUNTS | BUDGET/ACTUAL |
| REVENUES | | | | |
| 5812 FSP-ADA Revenue | \$ 62,416,631 | \$ 66,117,302 | \$ 60,109,104 | \$ (6,008,198) |
| 5811 ASF-ADA Revenue | 1,090,765 | 2,084,256 | 2,901,763 | 817,507 |
| 5819 Foundation Entitlements | 56,062 | - | - | - |
| 5740 Other Local Revenue | 13,400 | 210,081 | 229,067 | 18,986 |
| 5742 Interest Revenue | 416,955 | 107,524 | 107,672 | 148 |
| 5750 Other Local Revenue | 253,022 | 64,794 | 66,987 | 2,193 |
| 5760 Local Grant Revenue | 30,379 | 18,706 | 18,719 | 13 |
| 5829 School Lunch Matching Grant | 17,623 | 20,865 | 20,865 | 0.40 |
| 5829 State Grant | 288,070 | 181,282 | 177,783 | (3,499) |
| 5910 Federal Grant | - | - | 6,631 | 6,631 |
| 5921 NSBP | 640,622 | 491,626 | 486,900 | (4,726) |
| 5922 NSLP | 2,017,133 | 1,223,614 | 1,218,659 | (4,955) |
| 5923 USDA Commodities | 186,555 | 268,869 | 270,085 | 1,216 |
| 5922 SSO March-July 2020 | - | 321,039 | 321,319 | 280 |
| 5927 Emergency Snack Revenue | - | 1,298 | 1,019 | (279) |
| 5929 Federal Grant | 6,230,252 | 5,477,380 | 11,042,058 | 5,564,678 |
| 5939 CACFP | - | 154,578 | 167,006 | 12,428 |
| 5939 TDEM | - | 88,397 | 88,397 | - |
| | <u>\$ 73,657,469</u> | <u>\$ 76,831,611</u> | <u>\$ 77,234,033</u> | <u>\$ 402,422</u> |
| EXPENSES | | | | |
| 11 Instructional | \$ 33,160,033 | \$ 31,676,030 | \$ 31,655,768 | \$ 20,262 |
| 12 Instructional and Media Services | 187,751 | 139,174 | 136,877 | 2,297 |
| 13 Curriculum Development and Inst. Staff Development | 3,546,577 | 3,178,136 | 3,110,326 | 67,810 |
| 21 Instructional Leadership | 299,274 | 426,140 | 420,374 | 5,766 |
| 23 School Leadership | 4,460,261 | 4,674,174 | 4,642,413 | 31,761 |
| 31 Guidance, Counseling and Evaluation | 1,146,460 | 1,030,000 | 1,021,113 | 8,887 |
| 32 Social Work | - | 120,000 | 117,480 | 2,520 |
| 33 Health Services | 746,576 | 743,869 | 738,700 | 5,169 |
| 34 Student Transportation | 444,371 | 410,000 | 392,142 | 17,858 |
| 35 Food Service | 3,086,403 | 3,051,438 | 2,963,174 | 88,264 |
| 36 Cocurricular/Extracurricular Activities | 986,734 | 675,952 | 657,186 | 18,766 |
| 41 General Administration | 5,741,042 | 5,281,804 | 5,217,534 | 64,270 |
| 51 Plant Maintenance and Monitoring Services | 12,140,980 | 11,462,080 | 11,419,219 | 42,861 |
| 52 Security and Monitoring Services | 460,136 | 300,000 | 262,104 | 37,896 |
| 53 Data Processing Services | 1,318,790 | 1,520,000 | 1,498,575 | 21,425 |
| 61 Community Services | 382,059 | 263,306 | 260,231 | 3,075 |
| 71 Debt Service | 5,550,023 | 5,360,000 | 5,355,075 | 4,925 |
| | <u>\$ 73,657,470</u> | <u>\$ 70,312,103</u> | <u>\$ 69,868,291</u> | <u>\$ 443,812</u> |
| Change in Net Assets | <u>\$ (1)</u> | <u>\$ 6,519,508</u> | <u>\$ 7,365,742</u> | <u>\$ (41,389)</u> |

UNAUDITED

Explanations of expenditures variances exceeding 10% for final budget to actual:
NONE

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

Function 12- A library position was never filled as originally planned
Function 13- Due to COVID less contracted services were used, Title I funded Instructional Coaches (payroll) not all filled
Function 21- Additional Academic Dean was hired than planned originally
Function 31-Hired less counselors than originally planned
Function 32-Two positions were originally budgeted at function 41 and reclassified to the correct function 32
Function 36-Due to COVID less extracurricular and athletic needs than originally planned
Function 52-Due to COVID security service was not utilized as planned
Function 53-Added additional technology staff not originally planned
Function 61-Parent liaisons positions were not filled in for the whole year

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

To the Board of Directors of
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 Academic Center, Inc. (a non-profit organization) (Jubilee) which comprise the statement of financial position as of June 30, 2021, 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 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jubilee's internal control over financial reporting (internal control) as a basis for designing the 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 Jubilee's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

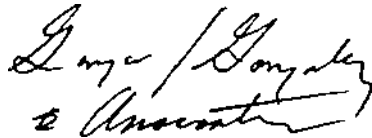
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 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 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 9, 2021

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

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

Report on Compliance for Each Major Federal Program

We have audited Jubilee Academic Center, Inc. (Jubilee's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jubilee's major federal programs for year ended June 30, 2021. Jubilee's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jubilee's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jubilee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jubilee's compliance.

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control Over Compliance

Management of Jubilee is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jubilee's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jubilee's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

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

November 9, 2021

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

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 | |
| | 84.010A | Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) | |
| | 84.425D | Elementary and Secondary School Emergency Relief (ESSER) Fund | |
| | 84.027 / 84.173 | Special Education Grants to States / Special Education Preschool Grants | |
| 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, 2021

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

None.

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

JUBILEEE ACADEMIC CENTER
San Antonio, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

| Grantor/Program Title | Federal CFDA No. | 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 | \$ 188,180 |
| ESEA Title I, Part A Improving Basic Programs | 84.010A | 21610101015822 | 1,977,224 |
| ESEA Title I 1003(A)- School Improvement Grant | 84.010A | 20610141015822 | 135,361 |
| ESEA Title I 1003(A)- School Improvement Grant | 84.010A | 21610141015822 | 278,673 |
| Total CFDA No. 84.010A | | | 2,579,439 |
| PERKINS V: Strengthening CTE for 21st Century | 84.048A | 21420006015822 | 53,959 |
| ESEA Title II Part A- Supporting Effective Instruction | 84.367A | 20694501015822 | 43,706 |
| ESEA Title II Part A- Supporting Effective Instruction | 84.367A | 21694501015822 | 326,915 |
| Total CFDA No. 84.367A | | | 370,621 |
| Title III, Part A-ELA | 84.365A | 20671001015822 | 17,994 |
| Title III, Part A-ELA | 84.365A | 21671001015822 | 62,737 |
| Title III, Part A-IMMIGRANT | 84.365A | 21671003015822 | 8,337 |
| Total CFDA No. 84.365A | | | 89,068 |
| School Improvement Grant - Instructional Continuity | 84.377A | S377A160044 | 2,900 |
| ESEA Title IV Part A, Subpart 1 | 84.424A | 20680101015822 | 53,342 |
| ESEA Title IV Part A, Subpart 1 | 84.424A | 21680101015822 | 15,116 |
| Total CFDA No. 84.424A | | | 68,458 |
| Education Stabilization Fund - ESSER I Grant | 84.425D | 20521001015822 | 1,418,779 |
| Education Stabilization Fund - ESSER II Grant | 84.425D | | 5,465,175 |
| Education Stabilization Fund - ESSER II (Prior Purchase Reimb Prog (PPRP)) | 84.425D | S425D210042 | 86,024 |
| Total CFDA No. 84.425D | | | 5,551,199 |
| STOP School Violence | 16.839 | 194310027110004 | 6,320 |
| Total Passed Through State Department of Education | | | \$ 10,140,743 |
| Passed Through Education Service Center, Region 20 | | | |
| ESEA Title X, Education for Homeless Children and Youth | 84.196A | 662-1-08 | \$ 6,631 |
| Total Passed Through Education Service Center, Region 20 | | | \$ 6,631 |
| Passed Through Southwest Preparatory School | | | |
| IDEA Part B, Formula | 84.027 | 20660001015807600 | 898,644 |
| Total CFDA No. 84.027 | | | 898,644 |
| IDEA Part B, Preschool | 84.173 | 156610010158076610 | 2,671 |
| | | | 2,671 |
| Total Passed Through Southwest Preparatory School | | | \$ 901,315 |
| Total U.S. Department of Education | | | \$ 11,048,689 |
| U.S. Department of Agriculture | | | |
| Passed Through Texas Department of Agriculture | | | |
| School Breakfast Program (SBP) * | 10.553 | * 71401901/71402001 | \$ 486,900 |
| National School Lunch Prg-NSLP * | 10.555 | * 71301901/71302001 | 1,539,977 |
| After School Snack Program | 10.555 | * 71301901/71302001 | 1,019 |
| CACFP Program | 10.558 | 216TX332N1099 | 154,578 |
| USDA Storage Reimbursement | 10.555 | * 71301901/71302001 | 12,428 |
| National School Lunch Program - Noncash Assistance * | 10.555 | * N/A | 270,085 |
| Total CFDA No. 10.553/10.555 | | | 2,464,987 |
| Total Passed Through Texas Department of Agriculture | | | \$ 2,464,987 |
| Total U.S. Department of Agriculture | | | \$ 2,464,987 |
| U.S. Department of the Treasury | | | |
| PassThrough State Department of Education | | | |
| Coronavirus Relief Fund of the Care Act | 21.019 | N/A | 88,397 |
| Total Passed Through State Department of Education | | | 88,397 |
| Total U.S Department of Treasury | | | 88,397 |
| Total Expenditures of Federal Awards | | | \$ 13,602,073 |

* Clustered programs

JUBILEE ACADEMIC CENTER, INC.
San Antonio, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

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.