



**Doral Academy of Technology**  
**WL# 3029**  
(A Charter School under The Doral Academy, Inc.)

Doral, Florida

Financial Statements and  
Independent Auditor's Report

June 30, 2020

TABLE OF CONTENTS

General Information . . . . .	1
Independent Auditor’s Report. . . . .	2-3
Management’s Discussion and Analysis (Required Supplementary Information) . . . . .	4-8
<b>Basic Financial Statements:</b>	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position. . . . .	9
Statement of Activities. . . . .	10
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds. . . . .	11
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position. . . . .	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds. . . . .	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities. . . . .	14
 <i>Notes to the Basic Financial Statements</i> . . . . .	 15-28
<b>Required Supplementary Information:</b>	
Budgetary comparison schedules. . . . .	29-31
<b>Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> . . . . .</b>	
	32-33
<b>Management Letter . . . . .</b>	<b>34-36</b>

Doral Academy of Technology  
(A charter school under The Doral Academy, Inc.)

W/L#: 3029

2601 NW 112<sup>th</sup> Avenue  
Doral, FL 33172

2019-2020

BOARD OF DIRECTORS

Angela Ramos, President and Chair, Director  
Rene Rovirosa, Secretary and Treasurer, Director  
Kim Guilarte, Director  
Ana Guimaraes, Director and Student Alumni Representative  
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SCHOOL ADMINISTRATION

Carlos Ferralls, Principal



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Doral Academy of Technology  
Doral, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Doral Academy of Technology (the "School"), a charter school under The Doral Academy, Inc., as of, and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprises the School's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Doral Academy of Technology as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Doral Academy of Technology as of June 30, 2020, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of The Doral Academy, Inc. These financial statements do not purport to and do not present fairly the financial position of The Doral Academy, Inc. as of June 30, 2020 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 29 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2020 on our consideration of School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 14, 2020

**Management’s Discussion and Analysis**  
Doral Academy of Technology  
(A Charter School Under The Doral Academy, Inc.)  
June 30, 2020

The corporate officers of Doral Academy of Technology (the “School”) have prepared this narrative overview and analysis of the School’s financial activities for the fiscal year ended June 30, 2020.

**Financial Highlights**

1. The net position of the School at June 30, 2020 was \$3,067,720.
2. At year-end, the School had current assets on hand of \$3,065,808.
3. The net position of the School increased by \$621,838 during the year.
4. The unassigned fund balance at year end was \$2,983,142.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the School’s basic financial statements. The School’s financial statements for the year ended June 30, 2020 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business.

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

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

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

Fund Financial Statements

A “fund” is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 11 - 14 of this report.

*Notes to Financial Statements*

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

The notes to the financial statements can be found on pages 15 - 28 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$3,067,720 at the close of the fiscal year. A summary of the School's net position as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,381	\$ 5,442
Investments	3,023,000	2,316,000
Prepaid expenses	8,805	30,599
Due from other agencies	32,622	28,396
Due from other divisions of The Doral Academy, Inc., long-term	50,000	100,000
Capital assets, net	<u>25,773</u>	<u>17,540</u>
<b>Total Assets</b>	<u>3,141,581</u>	<u>2,497,977</u>
<b>Deferred outflows of resources</b>	-	-
Accounts payable and accrued liabilities	<u>73,861</u>	<u>52,095</u>
<b>Total Liabilities</b>	<u>73,861</u>	<u>52,095</u>
<b>Deferred inflows of resources</b>	-	-
<b>Net Position:</b>		
Net investment in capital assets and long-term receivables	75,773	117,540
Unrestricted	<u>2,991,947</u>	<u>2,328,342</u>
<b>Total Net Position</b>	<u>\$ 3,067,720</u>	<u>\$2,445,882</u>

At the end of both fiscal years, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2020 and 2019 follows:

	<u>2020</u>	<u>2019</u>
<b>REVENUES</b>		
Program Revenues		
Operating grants and contributions	\$ 14,161	\$ 13,454
Capital outlay funding	159,317	152,705
Lunch program	53,046	66,318
General Revenues		
Local sources (FTE and other non specific)	2,142,989	2,073,957
Other revenue	<u>37,807</u>	<u>32,198</u>
<b>Total Revenues</b>	<u>\$ 2,407,320</u>	<u>\$ 2,338,632</u>
<b>EXPENSES</b>		
Instruction	\$ 779,231	\$ 478,537
Student support services	8,217	27,455
Instructional staff training	4,571	-
Board	18,606	18,531
School administration	225,904	352,291
Fiscal services	45,225	50,531
Food services	60,236	66,739
Central services	48,269	47,141
Pupil transportation services	-	3,525
Operation of plant	568,676	432,717
Maintenance of plant	20,763	3,603
Administrative technology services	<u>5,784</u>	<u>-</u>
<b>Total Expenses</b>	<u>1,785,482</u>	<u>1,481,070</u>
Increase in Net Position	621,838	857,562
Net Position at Beginning of Year	<u>2,445,882</u>	<u>1,588,320</u>
Net Position at End of Year	<u>\$ 3,067,720</u>	<u>\$ 2,445,882</u>

Doral Academy of Technology's revenues and expenditures increased by \$68,688 and \$304,412, respectively. The School had an increase in its net position of \$621,838 for the year.

### **School Location and Lease of Facility**

The School leases a facility located at 2601 N.W. 112<sup>th</sup> Avenue, Doral, Florida 33172. The facility abuts the neighboring Doral Academy Charter High School.

### **Capital Improvement Requirements**

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

### **School Enrollment**

This past year, the School had approximately 302 students enrolled in grades six through eight.

## **Accomplishments**

In 2020, Doral Academy of Technology (DAT) completed its 9th year of operations, serving over 300 students in grades 6-8.

DAT aims to prepare students for high academic performance, stimulate their lifelong love of math and science and create new pathways for them to pursue academic and professional careers in the fields of Math, Science, Engineering and Technology. Students are provided with a rigorous college preparatory curriculum and a rich extra-curricular program of activities, including team sports and clubs. The school's award-winning facilities include fully equipped classrooms, labs, art rooms, a band room, production rooms, ball fields, a state-of-the-art gymnasium, and a brand new, top-notch football field. Doral Academy of Technology's campus has been nominated for the American Institute of Architects People's Choice Awards for Best Design.

Doral Academy Robotics held their first ever robotics picnic. The Doral Robotics and Doral Video Game Club hosted a Smash Bros. Tournament. Robotics 3 students developed an I2C Weather Station, made with an Arduino MEGA and a BMP180 sensor. The computer science team competed at the Annual UCF High School Programming Tournament. They took 2nd place in the contest, and 1st place in Florida.

As part of the Doral Academy, Inc. network of high performing charter schools, Doral Academy of Technology is fully accredited by AdvancED under the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS-CASI) division.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

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

### **Governmental Funds**

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

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported a fund balance of \$2,991,947. The fund balance unassigned and available for spending at the School's discretion is \$2,983,142. These funds will be available for the School's future ongoing operations.

## Capital Assets

The School's investment in capital assets as of June 30, 2020 amounts to \$25,773 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and computer equipment. This investment in capital assets includes improvements, furniture, fixtures and computer equipment. As of June 30, 2020, the School had no long-term debt associated to its capital assets.

## Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for the governmental fund to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Program Revenues			
State capital outlay funding	\$ 145,500	\$ 161,243	\$ 159,317
Federal sources	44,550	43,650	47,092
Charges for services	20,000	18,250	20,115
General Revenues			
FTE and other nonspecific revenues	2,118,816	2,138,031	2,142,989
Charges and other revenues	43,697	31,255	37,807
Total Revenues	\$ 2,372,563	\$ 2,392,429	\$ 2,407,320
<b>CURRENT EXPENDITURES</b>			
Instruction	\$ 409,457	\$ 783,103	\$ 770,066
Student support services	2,500	13,318	8,217
Instructional staff training	5,000	5,000	4,571
Board	20,750	20,806	18,606
School administration	348,923	226,163	225,904
Fiscal services	45,000	45,225	45,225
Food services	62,152	61,900	60,236
Central services	50,000	49,225	48,269
Operation of plant	361,594	593,088	568,522
Maintenance of plant	10,000	15,500	20,763
Administrative technology services	6,525	5,826	5,784
Total Current Expenditures	\$ 1,321,901	\$ 1,819,154	\$ 1,776,163

Most variances occurred as a result of the Budget adopted being more conservative than actual results for the year.

## Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Ms. Ana Martinez at Academica Dade, LLC, 6340 Sunset Drive, Miami, Florida 33143.

Doral Academy of Technology  
(A charter school under The Doral Academy, Inc.)

Statement of Net Position  
June 30, 2020

	<u>Primary Government</u>
	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Current assets:	
Cash	\$ 1,381
Investments	3,023,000
Prepaid expenses	8,805
Due from other agencies	32,622
Total current assets	<u>3,065,808</u>
Capital assets, depreciable	52,408
Less: accumulated depreciation	<u>(26,635)</u>
	25,773
Due from other divisions of The Doral Academy, Inc., long-term	<u>50,000</u>
Total Assets	<u>3,141,581</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>-</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Accounts payable and accrued expenses	12,188
Salaries and wages payable	61,673
Total current liabilities	<u>73,861</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>-</u>
<b>Net Position:</b>	
Net investment in capital assets and long-term receivables	75,773
Unrestricted	2,991,947
Total Net Position	<u>\$ 3,067,720</u>

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

Doral Academy of Technology  
(A charter school under The Doral Academy, Inc.)

Statement of Activities  
For the year ended June 30, 2020

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
Instruction	\$ 779,231	\$ -	\$ 8,001	\$ -	\$ (771,230)
Student support services	8,217	-	-	-	(8,217)
Instructional staff training	4,571	-	-	-	(4,571)
Board	18,606	-	-	-	(18,606)
School administration	225,904	-	-	-	(225,904)
Fiscal services	45,225	-	-	-	(45,225)
Food services	60,236	20,115	32,931	-	(7,190)
Central services	48,269	-	-	-	(48,269)
Operation of plant	568,676	-	-	159,317	(409,359)
Maintenance of plant	20,763	-	6,160	-	(14,603)
Administrative technology services	5,784	-	-	-	(5,784)
<b>Total governmental activities</b>	<u>1,785,482</u>	<u>20,115</u>	<u>47,092</u>	<u>159,317</u>	<u>(1,558,958)</u>
General revenues:					
					2,142,989
FTE and other nonspecific revenues					37,807
Investment earnings					<u>37,807</u>
Change in net position					621,838
Net position, beginning					<u>2,445,882</u>
Net position, ending					<u>\$ 3,067,720</u>

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

Doral Academy of Technology  
(A charter school under The Doral Academy, Inc.)

Balance Sheet - Governmental Funds  
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b><u>Assets</u></b>				
Cash	\$ 1,381	\$ -	\$ -	\$ 1,381
Investments	3,023,000	-	-	3,023,000
Prepaid expenses	8,805	-	-	8,805
Due from other agencies	-	20,007	12,615	32,622
Due from fund	32,622	-	-	32,622
Total Assets	<u>3,065,808</u>	<u>20,007</u>	<u>12,615</u>	<u>3,098,430</u>
<b>Deferred Outflows of Resources</b>				
	-	-	-	-
<b><u>Liabilities</u></b>				
Salaries and wages payable	61,673	-	-	61,673
Accounts payable and accrued expenses	12,188	-	-	12,188
Due to fund	-	20,007	12,615	32,622
Total Liabilities	<u>73,861</u>	<u>20,007</u>	<u>12,615</u>	<u>106,483</u>
<b>Deferred Inflows of Resources</b>				
	-	-	-	-
<b><u>Fund balance</u></b>				
Nonspendable, not in spendable form	8,805	-	-	8,805
Unassigned	2,983,142	-	-	2,983,142
	<u>2,991,947</u>	<u>-</u>	<u>-</u>	<u>2,991,947</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 3,065,808</u>	<u>\$ 20,007</u>	<u>\$ 12,615</u>	<u>\$ 3,098,430</u>

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

Doral Academy of Technology  
(A charter school under The Doral Academy, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2020

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Total Fund Balance - Governmental Funds \$ 2,991,947

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

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the fund.

Capital assets	52,408	
Accumulated depreciation	<u>(26,635)</u>	25,773

Long term receivables in governmental activities are not financial resources and therefore are not reported in the governmental funds.	<u>50,000</u>
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Total Net Position - Governmental Activities \$ 3,067,720

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

Doral Academy of Technology  
(A charter school under The Doral Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
For the year ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>				
State passed through local	\$2,142,989	\$ -	\$ -	\$ 2,142,989
State capital outlay funding	-	-	159,317	159,317
Federal sources	-	47,092	-	47,092
Lunch fees	-	20,115	-	20,115
Other revenue	37,807	-	-	37,807
<b>Total Revenues</b>	<b>2,180,796</b>	<b>67,207</b>	<b>159,317</b>	<b>2,407,320</b>
<b>Expenditures:</b>				
<b>Current</b>				
Instruction	762,065	8,001	-	770,066
Student support services	8,217	-	-	8,217
Instructional staff training	4,571	-	-	4,571
Board	18,606	-	-	18,606
School administration	225,904	-	-	225,904
Food services	-	60,236	-	60,236
Fiscal services	45,225	-	-	45,225
Central services	48,269	-	-	48,269
Operation of plant	409,205	-	159,317	568,522
Maintenance of plant	20,763	-	-	20,763
Administrative technology services	5,784	-	-	5,784
<b>Capital Outlay:</b>				
Other capital outlay	17,552	-	-	17,552
<b>Total Expenditures</b>	<b>1,566,161</b>	<b>68,237</b>	<b>159,317</b>	<b>1,793,715</b>
Excess (deficit) of revenues over expenditures	614,635	(1,030)	-	613,605
<b>Other financing sources (uses)</b>				
Transfers in (out)	(1,030)	1,030	-	-
Collections from The Doral Academy, Inc.	50,000	-	-	50,000
Net change in fund balance	663,605	-	-	663,605
Fund Balance at beginning of year	2,328,342	-	-	2,328,342
Fund Balance at end of year	\$2,991,947	\$ -	\$ -	\$ 2,991,947

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

Doral Academy of Technology  
(A charter school under The Doral Academy, Inc.)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the year ended June 30, 2020

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Net Change in Fund Balance - Governmental Funds \$ 663,605

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

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

Capital outlays	17,552	
Depreciation expense	<u>(9,319)</u>	8,233

Increase in long-term receivables is an expenditure in the governmental funds, but a decrease or collections of such receivables reduces long term assets in the statement of net position. This is the amount by which advances of long-term receivables of \$-0- exceeded collections of \$50,000.

	<u>(50,000)</u>
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Change in Net Position of Governmental Activities \$ 621,838

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

## **Note 1 – Summary of Significant Accounting Policies**

### Reporting Entity

Doral Academy of Technology (the "School"), is a charter school sponsored by the School Board of Miami-Dade County, Florida (the "District"). The School's charter is held by The Doral Academy, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of The Doral Academy, Inc., which is composed of five members and also governs other charter schools. The board has determined that no component units exist that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Miami-Dade County, Florida. The current charter expires on June 30, 2025 and it can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Doral, Florida for students from sixth to eighth grade. These financial statements are for the year ended June 30, 2020, when on average 302 students were enrolled for the school year. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

### Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

### Government-wide and Fund Financial Statements

#### *Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements also do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Program revenues include: (1) charges for services which report fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other miscellaneous sources.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds:

*General Fund* - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

*Special Revenue Fund* – accounts for specific revenues, such as federal lunch program that are legally restricted to expenditures for particular purposes.

*Capital Projects Fund* – accounts for state and local capital outlay as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes mainly for capital outlay and maintenance purposes.

Measurement Focus and Basis of Accounting

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

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/savings accounts.

The School has not adopted a formal deposit and investment policy that limits the School’s allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund. The School has adopted GASB Codification Section 3100 *Fair Value Measurement and Application* (see Note 2).

Inter-fund Transfers

Interfund receivables/payables are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Prepaid Expenses and Other Assets

Other assets consist mainly of prepaid expenses which are payments for goods or services that have not been consumed or used at year end. The expenditure will be recorded when the asset is used. Accordingly, prepaid expenses are equally offset by a nonspendable fund balance classification.

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, Equipment, and Computers	5 Years
Textbooks and Software	3 Years

Deferred Outflows/Inflows of Resources

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

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

**Note 1 – Summary of Significant Accounting Policies (continued)**

Revenue Sources

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District.

Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement ad valorem tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Compensated Absences

The School grants a specific number of sick days. Full time instructional employees are eligible to one day per month to up to ten days of active work during the ten-month period (a "benefit year"). In the event that available time is not used by the end of the benefit year, employees may "rollover" all unused days for use in future benefit years. There is an opportunity to "cash out" unused sick days however, the employees may only cash out if they have used three days or less of their sick leave in that benefit year. Employees may not cash out more than ten days per school year and are required to always maintain a minimum of twenty-one unused days in order to cash out. The cash out value is eighty percent of their current daily rate. There is no termination payment for accumulated unused sick days.

**Note 1 – Summary of Significant Accounting Policies (continued)**

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

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Income Taxes

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

Use of Estimates

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

Net position and Fund balance classifications

*Government-wide financial statements*

Equity is classified as net position and displayed in three (3) components:

- a) Net investment in capital assets and long-term receivables - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- c) Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets and long term receivables."

When both restricted and unrestricted resources are available for a specific purpose, it is the Schools's policy to use restricted resources first, until exhausted, before using unrestricted resources.

**Note 1 – Summary of Significant Accounting Policies (continued)**

*Fund financial statements*

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- a) Nonspendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with prepaid expenses.
- b) Restricted – this classification includes fund balance category amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. There are no restricted fund balances at year end.
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification that is intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- e) Unassigned – portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School’s general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 14, 2020 which is the date the financial statements were available to be issued.

## **Note 2 – Cash, Cash Equivalents and Investments**

### Deposits

The School maintains its cash and cash equivalents in one financial institution. As of June 30, 2020, the School's deposits consisted of cash balances of \$1,353.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Doral Academy, Inc., which also operates various other charter schools.

All bank accounts are opened under the account ownership of Doral Academy, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2020, bank balances in potential excess of FDIC coverage was approximately \$1,353.

### Investments

The School categorizes its fair value measurements within the fair value hierarchy established by GASB Codification Section 3100 *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets; Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs. At June 30, 2020, the School has the following recurring fair value measurements:

- Government money market mutual fund of \$3,580,000 valued using Level 2 inputs.

The government money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of June 30, 2020, maturities of the fund's portfolio holdings are approximately 63% within 30 days.

### Credit Risk

*Concentration of credit risk* is the risk of loss attributed to the magnitude of investments in a single issuer. The School manages its exposure to credit risk by limiting investments to highly rated government money market mutual funds. The fund is rated Aaa-mf by Moody's.

*Custodial credit risk* is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2020, all of the School's investments in government money market mutual funds were held in a separate account and designated as assets of the School.

**Note 3 – Capital Assets**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2020:

	Balance 07/01/19	Additions	Retirements	Balance 06/30/20
Capital Assets:				
Buildings and improvements	\$ -	\$ 8,724	\$ -	\$ 8,724
Furniture, equipment and textbooks	402,473	7,549	(367,617)	42,405
AV equipment and computer software	64,216	1,279	(64,216)	1,279
Total Capital Assets	<u>\$ 466,689</u>	<u>\$ 17,552</u>	<u>\$ (431,833)</u>	<u>\$ 52,408</u>
Less Accumulated Depreciation:				
Buildings and improvements	\$ -	\$ (153)	\$ -	\$ (153)
Furniture, equipment and textbooks	(372,150)	(8,846)	367,617	(13,379)
AV equipment and computer software	(76,999)	(320)	64,216	(13,103)
Total Accumulated Depreciation	<u>\$(449,149)</u>	<u>\$ (9,319)</u>	<u>\$ 431,833</u>	<u>\$ (26,635)</u>
Capital Assets, net	<u><u>\$ 17,540</u></u>	<u><u>\$ 8,233</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,773</u></u>

For the fiscal year ended June 30, 2020, depreciation expense is allocated in the Statement of Activities by function as follows:

Instruction	\$	9,165
Facilities acquisition		154
Total Depreciation Expense	<u>\$</u>	<u>9,319</u>

**Note 4 – Education Service and Support Provider**

Academica Dade, LLC, a professional education service and support provider, offers administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting and virtual services. The agreement between the School and the education service and support provider calls for a fee on a per student basis. The agreement is with Doral Academy, Inc. for a period of five years, through June 30, 2021, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2020, the School incurred \$135,675 in fees.

Academica Dade, LLC is located at 6340 Sunset Drive, Miami, Florida 33143.

**Note 5 – Transactions with other divisions of Doral Academy, Inc.**

During 2020, the School’s facility was located on the premises of Doral Academy Middle School (a charter school under The Doral Academy, Inc.). In addition, the School shares other facilities with Doral Academy High School and Doral Performing Arts and Entertainment Academy. Management allocates a proportionate share of leases, salaries, lunch receipts, food and supplies, and other expenses to each school individually based on student enrollment and usage of facilities and staff to these schools. In addition, the School’s student activities internal fund is held by Doral Academy Middle School.

During 2020, the School reimbursed Doral Academy Middle School approximately \$299,000 and Doral Academy High School \$123,000 for shared expenses.

The Doral Academy, Inc.

The Doral Academy, Inc. charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. The School paid The Doral Academy, Inc. \$45,225 in connection with these charges during the year.

The following schedule provides a summary of changes in long-term receivables for the year ended June 30, 2020.

	Balance 06/30/19	Advances	Collections	Balance 06/30/20
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
The Doral Academy, Inc.	\$ 100,000	\$ -	\$ (50,000)	\$ 50,000
Total Long Term Receivable	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ (50,000)</u>	<u>\$ 50,000</u>

**Note 6 – Commitments, Contingencies, and Concentrations**

The School entered into an amended lease and security agreement with School Development II, LLC (the “Landlord”, an affiliate of the School’s education service and support provider – Note 4) for its 65,164 square feet building including all ancillary facilities, outdoor areas and other improvements. Fixed initial annual payments under this agreement are based on a rate of \$23.83 per square footage of the building, which amounts to approximately \$1,553,000 adjusted annually based on the Consumer Price Index (CPI) plus additional property costs including repairs, maintenance and insurance. The amended agreement continues through June 30, 2036 with an option to renew for two additional five year terms.

**Note 6 – Commitments, Contingencies, and Concentrations (continued)**

Future minimum payments under this lease are as follows:

<u>Year</u>	
2021	\$1,637,000
2022	\$1,637,000
2023	\$1,637,000
2024	\$1,637,000
2025	\$1,637,000
2026-2030	\$8,185,000 (Total for five-year period)
2031-2035	\$8,185,000 (Total for five-year period)
2036	\$1,637,000 (Total for one-year period)

Lease payments are allocated between the School and Doral Academy Middle School based on enrollment and usage of facility. The allocation used for 2020, was approximately 17% for the School and 83% for Doral Academy Middle School. For 2020, rent expense totaled approximately \$276,000.

**Bond Issue and Repayment**

On January 4, 2018, Miami-Dade County Industrial Development Authority issued tax-exempt revenue bonds of \$22,045,000, on behalf of The Doral Academy, Inc. (the Organization), to be secured by a first mortgage on the land owned by the Organization as well as revenues of Doral Academy Charter Middle School, Doral Academy Charter High School, Doral Performing Arts & Entertainment Academy, and Doral Academy of Technology (the “Four Schools”). The proceeds of the bond issue have been used to fund the acquisition, design, construction, installation and equipping of a 91,000 square foot, six story building known as the Doral Hall Educational Facility (“Doral Hall”), fund a debt service reserve fund, and pay costs of the bond issuance.

Through a Usage Fee Agreement approved by the Board of Directors of the Organization, all Capital and Operating costs as defined herein will be due on a monthly basis commencing on the first day of the first full calendar month following the date on which the Organization receives a temporary certificate of occupancy for Doral Hall. All costs of the acquisition, design, permitting, construction, equipping (“Capital Costs”) and operations including interest expense, ongoing financing fees, all insurance, all taxes, property management fees, utilities, maintenance, repairs, replacements (“Operating Costs”) of Doral Hall, together with an annual administrative fee of 5% of the sum of the Capital and Operating Costs each year, shall be shared among the Four Schools in proportion to their relative annual student enrollments.

**Note 6 – Commitments, Contingencies, and Concentrations (continued)**

The certificate of occupancy was obtained on April 11, 2019. Usage fee in relation to this agreement for the year ended June 30, 2020 was approximately \$121,000. The allocation used for 2020, was approximately 17% for the School and 83% for Doral Academy Middle School.

The Organization’s debt agreements contain various covenants, restrictions and financial test requirements. In the event an instance of default is not remedied, the maturity can be accelerated and / or the underlying collateral may be subject to foreclosure.

The debt service on the tax-exempt bond financing for the Organization (which will be allocated among the Four Schools) is as follows:

Year	Principal	Interest	Total	
2021	\$ 365,000	\$ 1,069,750	\$ 1,434,750	
2022	\$ 385,000	\$ 1,051,500	\$ 1,436,500	
2023	\$ 405,000	\$ 1,032,250	\$ 1,437,250	
2024	\$ 425,000	\$ 1,012,000	\$ 1,437,000	
2025	\$ 445,000	\$ 990,750	\$ 1,435,750	
2026-2030	\$ 2,585,000	\$ 4,596,500	\$ 7,181,500	(total for five year period)
2031-2035	\$ 3,300,000	\$ 3,882,000	\$ 7,182,000	(total for five year period)
2036-2040	\$ 4,205,000	\$ 2,971,250	\$ 7,176,250	(total for five year period)
2041-2045	\$ 5,365,000	\$ 1,809,750	\$ 7,174,750	(total for five year period)
2046-2048	\$ 3,915,000	\$ 398,000	\$ 4,313,000	(total for three year period)

Contingencies and Concentrations

The School receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School receives various forms of federal, state and local funding which are subject to financial and compliance audits. It is the opinion of management that the amount of funding, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% of the qualifying revenues of the School. For the year ended June 30, 2020, administrative fees withheld by the School District totaled \$35,055.

**Note 6 – Commitments, Contingencies, and Concentrations (continued)**

Novel Coronavirus (COVID-19)

On January 21, 2020 the Centers for Disease Control and Preventions (CDC) confirmed the first case of 2019 Novel Coronavirus (COVID-19) in the United States. Pursuant to local emergency orders, the School converted to distance learning on March 13, 2020 for the remainder of the school year. As a result of these extraordinary circumstances, the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, a \$2.2 trillion economic stimulus bill, was passed by the 116th U.S. Congress and signed into law in March 2020.

Paycheck Protection Program

On April 20, 2020, The Doral Academy, Inc. was granted a loan from a financial institution in the aggregate amount of \$3,243,400, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted on March 27, 2020. The proceeds from the loan were recorded on the books of Doral Academy High School and will be distributed equitably among the network schools in accordance with the provisions of the CARES Act.

**Note 7 – Inter-fund Transfers**

Inter-fund transfers in governmental funds as of June 30, 2020 consist of the following:

	General Fund	Special Revenue Fund
To fund lunch deficit	\$ (7,190)	\$ 7,190
Reimbursement from Restart Grant for prior period expenditures	6,160	(6,160)
Total Transfers, net	<u>\$ (1,030)</u>	<u>\$ 1,030</u>
Due to General Fund from Capital Projects Fund for capital outlay	\$ 12,615	\$ (12,615)
Due to General Fund from Special Revenue Fund for Restart Grant	12,006	(12,006)
Due to General Fund from Special Revenue Fund for Title IV	8,001	(8,001)
Total Due from/(Due to)	<u>\$ 32,622</u>	<u>\$ (32,622)</u>

### **Note 8 – Risk Management**

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

The School has entered into a strategic relationship with ADP TotalSource, Inc., a human resource management firm, typically known as “Professional Employer Organization” (PEO). Under a co-employment agreements, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management. Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions.

### **Note 9 – Defined Contribution Retirement Plan**

The School’s personnel, who are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the “Plan”), the School approved a match of 100% of the employee’s contribution up to 4% of the employee’s compensation. The School contributed to the Plan \$19,937 for the year ended June 30, 2020. The School does not exercise any control or fiduciary responsibility over the Plans’ assets, which are administered by Voya Financial.

REQUIRED SUPPLEMENTARY INFORMATION

Doral Academy of Technology  
(A charter school under The Doral Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2020

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 2,118,816	\$ 2,138,031	\$ 2,142,989
Other revenue	43,697	31,255	37,807
Total Revenues	<u>2,162,513</u>	<u>2,169,286</u>	<u>2,180,796</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	401,957	774,562	762,065
Student support services	2,500	13,318	8,217
Instructional staff training	5,000	5,000	4,571
Board	20,750	20,806	18,606
School administration	348,923	226,163	225,904
Fiscal services	45,000	45,225	45,225
Central services	50,000	49,225	48,269
Operation of plant	208,594	424,345	409,205
Maintenance of plant	10,000	15,500	20,763
Administrative technology services	6,525	5,826	5,784
Total Current Expenditures	<u>1,099,249</u>	<u>1,579,970</u>	<u>1,548,609</u>
Excess of Revenues Over Current Expenditures	<u>1,063,264</u>	<u>589,316</u>	<u>632,187</u>
Capital Outlay	<u>17,551</u>	<u>17,551</u>	<u>17,552</u>
Excess of Revenues Over Expenditures	1,045,713	571,765	614,635
Other financing sources (uses):			
Transfers in (out)	(12,602)	(16,041)	(1,030)
Collections from The Doral Academy, Inc.	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Net change in fund balance	1,083,111	605,724	663,605
Fund Balance at beginning of year	<u>2,328,342</u>	<u>2,328,342</u>	<u>2,328,342</u>
Fund Balance at end of year	<u>\$ 3,411,453</u>	<u>\$ 2,934,066</u>	<u>\$ 2,991,947</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Doral Academy of Technology  
(A charter school under The Doral Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2020

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal sources	\$ 44,550	\$ 43,650	\$ 47,092
Charges for services	20,000	18,250	20,115
Total Revenues	<u>64,550</u>	<u>61,900</u>	<u>67,207</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	7,500	8,541	8,001
Food services	62,152	61,900	60,236
Operation of Plant	7,500	7,500	-
Total Current Expenditures	<u>77,152</u>	<u>77,941</u>	<u>68,237</u>
Excess (deficit) of Revenues Over Current Expenditures	<u>(12,602)</u>	<u>(16,041)</u>	<u>(1,030)</u>
Capital Outlay	-	-	-
Total Expenditures	<u>77,152</u>	<u>77,941</u>	<u>68,237</u>
Excess (deficit) of Revenues Over Expenditures	(12,602)	(16,041)	(1,030)
Other financing sources (uses)			
Transfers in (out)	-	-	1,030
Net change in fund balance	(12,602)	(16,041)	-
Other financing sources (uses):	-	-	-
Fund Balance at end of year	<u>\$ (12,602)</u>	<u>\$ (16,041)</u>	<u>\$ -</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Doral Academy of Technology  
 (A charter school under The Doral Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the year ended June 30, 2020

	Capital Projects Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State capital outlay funding	\$ 145,500	\$ 161,243	\$ 159,317
Total Revenues	145,500	161,243	159,317
<b>EXPENDITURES</b>			
Current:			
Operation of Plant	145,500	161,243	159,317
Total Current Expenditures	145,500	161,243	159,317
Excess of Revenues Over Expenditures	-	-	-
Other financing sources (uses)			
Transfers in (out)	-	-	-
Net change in fund balance	-	-	-
Fund Balance at beginning of year	-	-	-
Other financing sources (uses):			
Fund Balance at end of year	\$ -	\$ -	\$ -

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



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*

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Board of Directors of  
Doral Academy of Technology  
Doral, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Doral Academy of Technology (the "School") as of, and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprises the School's basic financial statements and have issued our report thereon dated September 14, 2020.

### **Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

We issued a separate management letter dated September 14, 2020 pursuant to Chapter 10.850, Rules of the Auditor General.

## **Purpose of this Report**

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

A handwritten signature in blue ink that reads "HLB Gravier, LLP". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 14, 2020



## MANAGEMENT LETTER

Board of Directors of  
Doral Academy of Technology  
Doral, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Doral Academy of Technology, Doral, Florida, as of and for the fiscal year ended June 30, 2020 and have issued our report thereon dated September 14, 2020.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in those reports and schedules, which are dated September 14, 2020 should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

See heading below titled Status of Prior Year Findings and Recommendations.

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Doral Academy of Technology, 3029.

## **Financial Condition and Management**

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

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

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

## **Transparency**

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

## **Additional Matters**

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

### **ML – 19-01 CAPITAL ASSETS**

Criteria: The School is required to maintain an inventory of capital assets purchased with public funds in accordance with local, state or federal regulations.

Condition: We noted the School does not have a formal process for reconciling the capital assets inventory report to the capital assets of the Schools trial balance.

Cause: The condition results from school personnel not consistently performing an inventory of all fixed assets and reconciling to the Schools trial balance.

Effect: Failure to perform the procedures mentioned above could result in a misstated Annual Property Inventory.

Recom-  
mendation: We recommend that the School perform an annual inventory of all capital assets and reconcile to the capital asset ledgers recorded on the School's books.

Status: The School has adopted financial policies and procedures regarding capital assets, to include a formal process of reconciling the capital assets inventory reports to the School's trial balance.

**Purpose of this Letter**

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 14, 2020