

Doral Performing Arts and Entertainment Academy
WL# 7009
(A charter school under The Doral Academy, Inc.)

Doral, Florida

Financial Statements and
Independent Auditors' Report

June 30, 2017

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Doral Performing Arts and Entertainment Academy

W/L#: 7009

11100 NW 27th Street
Doral, FL 33172

2016-2017

BOARD OF DIRECTORS

Angela Ramos, Director, President and Chair

Rene Rovirosa, Director and Secretary

Kim Guilarte, Director

Monique Rodriguez, Director, resigned effective May 10, 2017

SCHOOL ADMINISTRATION

Carlos Ferralls, Principal

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Doral Performing Arts and Entertainment Academy
Doral, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Doral Performing Arts and Entertainment Academy (the "School"), a charter school under The Doral Academy, Inc., as of, and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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, each major fund, and the aggregate remaining fund information of Doral Performing Arts and Entertainment Academy as of June 30, 2017, 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 Performing Arts and Entertainment Academy as of June 30, 2017, 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, 2017 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 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2017 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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
August 30, 2017

Management's Discussion and Analysis
Doral Performing Arts and Entertainment Academy
(A Charter School Under The Doral Academy, Inc.)
June 30, 2017

The corporate officers of the Doral Performing Arts and Entertainment Academy Charter School have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2017.

Financial Highlights

1. The net position of the School at June 30, 2017 was \$3,011,714.
2. At year-end, the School had current assets on hand of \$2,545,391.
3. The net position of the School had an increase in its net position of \$898,306 for the year ended June 30, 2017.
4. The unassigned fund balance at year end was \$2,236,136.

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, 2017 are presented under GASB 34. 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 general fund. A budgetary comparison statement has been provided for the general fund 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 – 25 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 \$3,011,714 at the close of the fiscal year. A summary of the School's net position as of June 30, 2017 and 2016 are as follows:

	2017	2016
Cash and cash equivalents	\$ 3,351	\$ 2,600
Investments	2,487,000	1,560,000
Prepaid expenses	45,439	41,513
Due from other agencies	9,601	9,020
Due from other charter schools, long-term	550,000	550,000
Capital assets, net	25,632	43,152
Total Assets	3,121,023	2,206,285
Deferred outflows of resources	-	-
Accounts payable and accrued liabilities	109,309	92,877
Total Liabilities	109,309	92,877
Deferred inflows of resources	-	-
Net Position:		
Net investment in capital assets and long-term receivables	575,632	593,152
Restricted by lease agreement	154,507	-
Unrestricted	2,281,575	1,520,256
Total Net Position	\$3,011,714	\$2,113,408

At the end of the fiscal year, 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, 2017 and 2016 follows:

	<u>2017</u>	<u>2016</u>
REVENUES		
Program Revenues		
Capital outlay funding	\$ 133,592	\$ 116,701
Lunch program	118,714	116,956
General Revenues		
Local sources (FTE non specific)	2,828,397	2,738,696
Other revenue	9,427	1,034
Total Revenues	<u>\$3,090,130</u>	<u>\$2,973,387</u>
EXPENSES		
Instruction	\$1,259,112	\$1,384,060
Instructional staff training	-	1,437
Board	89,800	87,300
School administration	202,144	254,687
Fiscal services	60,675	64,050
Food services	104,354	103,516
Central services	62,004	56,084
Operation of plant	413,025	410,591
Maintenance of plant	710	17,169
Total Expenses	<u>2,191,824</u>	<u>2,378,894</u>
Increase in Net Position	898,306	594,493
Net Position at Beginning of Year	<u>2,113,408</u>	<u>1,518,915</u>
Net Position at End of Year	<u>\$3,011,714</u>	<u>\$2,113,408</u>

In the current year, Doral Performing Arts & Entertainment Academy's revenue increased by \$116,743 and expenses decreased by \$187,070. Doral Performing Arts & Entertainment Academy had an increase in net position of \$898,306 for the year.

School Location

The School occupies a facility located at 11100 NW 27th Street, Doral, Florida 33172. The facility is shared with Doral Academy Charter High School under a usage agreement and is also approved to operate at 2601 NW 112 Ave, Doral Florida, 33172.

Capital Improvement Requirements

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

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 ending fund balance of \$2,436,082. The fund balance unassigned and available for spending at the School's discretion is \$2,236,136. 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, 2017 amounts to \$25,632 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and computer equipment. The School has no outstanding debt associated to capital assets.

Accomplishments

In 2017, Doral Performing Arts and Entertainment Academy completed its 11th year of operations, enrolling 402 students in grades 9-12. It was a truly successful year, as the school was nationally recognized as a Blue Ribbon School by the U.S. Department of Education. This award recognizes public and private schools for their overall academic excellence or for progress in closing achievement gaps, demonstrating that all students can achieve at high levels. Doral Performing Arts and Entertainment Academy once again ranked among "America's Top 100 High Schools" by The Daily Beast, as well as one of the "Best High Schools" in the country by U.S. News and World Reports.

This past year, the school received a letter grade of "A" for the 9th consecutive year. In addition, the results available for the most recent Advanced Placement Examinations demonstrate that Doral Performing Arts and Entertainment Academy has become one of the premier College Prep schools in the country.

Doral Performing Arts and Entertainment Academy provides its students with a rigorous college preparatory curriculum with a focus on Arts and Entertainment, as well as a rich extra-curricular program of activities, including team sports and clubs. Doral High has been upgrading its facilities, which now include additional classroom facilities, labs, art rooms, a band room, and production rooms, a state-of-the-art gymnasium, a brand new, top-notch football field, and other ball fields.

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

Governmental Fund Budget Analysis and Highlights

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

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State capital outlay funding	\$ 115,483	\$ 133,600	\$ 133,592
Lunch program	95,000	95,000	94,451
Charges for services	20,000	20,000	24,263
General Revenues			
FTE nonspecific revenues	2,710,340	2,800,000	2,828,397
Charges and other revenues	-	5,000	9,427
Total Revenues	\$ 2,940,823	\$ 3,053,600	\$ 3,090,130
CURRENT EXPENDITURES			
Instruction	\$ 1,608,568	\$ 1,260,000	\$ 1,242,237
Instructional staff training	1,450	-	-
Board	114,800	90,000	89,800
School administration	214,525	214,525	202,144
Fiscal services	61,350	60,675	60,675
Food services	115,000	105,000	104,354
Central services	71,350	70,000	62,004
Pupil transportation services	1,000	-	-
Operation of plant	447,178	433,600	412,380
Maintenance of plant	1,000	1,000	710
Total Current Expenditures	\$ 2,636,221	\$ 2,234,800	\$ 2,174,304

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 Performing Arts and Entertainment Academy
(A charter school under The Doral Academy, Inc.)

Statement of Net Position
June 30, 2017

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and cash equivalents	\$ 3,351
Investments	2,487,000
Prepaid expenses	45,439
Due from other agencies	9,601
Total current assets	2,545,391
Capital assets, depreciable	393,741
Less: accumulated depreciation	(368,109)
	25,632
Due from other charter school, long-term	550,000
Total Assets	3,121,023
<u>Deferred Outflows of Resources</u>	-
<u>Liabilities</u>	
Current liabilities:	
Salaries and wages payable	109,309
Total current liabilities	109,309
<u>Deferred Inflows of Resources</u>	-
Net Position:	
Net investment in capital assets and long-term receivables	575,632
Restricted by lease agreement	154,507
Unrestricted	2,281,575
Total Net Position	\$ 3,011,714

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

Doral Performing Arts and Entertainment Academy
(A charter school under The Doral Academy, Inc.)

Statement of Activities
For the year ended June 30, 2017

FUNCTIONS	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,259,112	\$ -	\$ -	\$ -	\$ (1,259,112)
Board	89,800	-	-	-	(89,800)
School administration	202,144	-	-	-	(202,144)
Fiscal services	60,675	-	-	-	(60,675)
Food services	104,354	24,263	94,451	-	14,360
Central services	62,004	-	-	-	(62,004)
Operation of plant	413,025	-	-	133,592	(279,433)
Maintenance of plant	710	-	-	-	(710)
Total governmental activities	2,191,824	24,263	94,451	133,592	(1,939,518)
General revenues:					
FTE nonspecific revenues					2,828,397
Other revenues					9,427
Change in net position					898,306
Net position, beginning					2,113,408
Net position, ending					<u>\$ 3,011,714</u>

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

Doral Performing Arts and Entertainment Academy
(A charter school under The Doral Academy, Inc.)

Balance Sheet - Governmental Funds
June 30, 2017

	General Fund	Non - Major Governmental Fund	Total Governmental Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 3,351	\$ -	\$ 3,351
Investments	2,487,000	-	2,487,000
Prepaid expenses	45,439	-	45,439
Due from other agencies	-	9,601	9,601
Due from fund	9,601	-	9,601
Total Assets	<u>2,545,391</u>	<u>9,601</u>	<u>2,554,992</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>Liabilities</u>			
Salaries and wages payable	109,309	-	109,309
Due to fund	-	9,601	9,601
Total Liabilities	<u>109,309</u>	<u>9,601</u>	<u>118,910</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund balance</u>			
Nonspendable, not in spendable form	45,439	-	45,439
Restricted	154,507	-	154,507
Unassigned	2,236,136	-	2,236,136
	<u>2,436,082</u>	<u>-</u>	<u>2,436,082</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,545,391</u>	<u>\$ 9,601</u>	<u>\$ 2,554,992</u>

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

Doral Performing Arts and Entertainment Academy
(A charter school under The Doral Academy, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2017

Total Fund Balance - Governmental Funds \$ 2,436,082

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

Capital assets of \$393,741 net of accumulated depreciation of \$368,109 used in governmental activities are not financial resources and therefore are not reported in the fund. 25,632

Long term receivables from other charter schools in governmental activities are not financial resources and therefore are not reported in the governmental funds. 550,000

Total Net Position - Governmental Activities \$ 3,011,714

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

Doral Performing Arts and Entertainment Academy
(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, 2017

	General Fund	Non - Major Governmental Fund	Total Governmental Funds
Revenues:			
State capital outlay funding	\$ -	\$ 133,592	\$ 133,592
State passed through local	2,828,397	-	2,828,397
Federal school lunch program	-	94,451	94,451
Lunch fees	-	24,263	24,263
Other revenue	9,427	-	9,427
Total Revenues	2,837,824	252,306	3,090,130
Expenditures:			
Current			
Instruction	1,242,237	-	1,242,237
Board	89,800	-	89,800
School administration	202,144	-	202,144
Food services	-	104,354	104,354
Fiscal services	60,675	-	60,675
Central services	62,004	-	62,004
Operation of plant	278,788	133,592	412,380
Maintenance of plant	710	-	710
Capital Outlay:			
Other capital outlay	-	-	-
Total Expenditures	1,936,358	237,946	2,174,304
Excess (deficit) of revenues over expenditures	901,466	14,360	915,826
Other financing sources (uses)			
Transfers in (out)	14,360	(14,360)	-
Net change in fund balance	915,826	-	915,826
Fund Balance at beginning of year	1,520,256	-	1,520,256
Fund Balance at end of year	\$ 2,436,082	\$ -	\$ 2,436,082

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

Doral Performing Arts and Entertainment Academy
(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, 2017

Net Change in Fund Balance - Governmental Funds \$ 915,826

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 depreciation expense of \$17,520 exceeded capital outlays of \$-0-.

(17,520)

Change in Net Position of Governmental Activities \$ 898,306

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

Note 1 – Summary of Significant Accounting Policies

Doral Performing Arts and Entertainment Academy (the "School"), is a charter school sponsored by the School Board of Miami-Dade County, Florida (the "District"). The Schools 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 four members and also governs other charter schools. The board has determined 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 former charter between the district and Doral College, Inc. was amended and renewed under Doral Academy, Inc. for the remainder of the term. The current charter expires on June 30, 2030 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 ninth through twelfth grades. These financial statements are for the year ended June 30, 2017, when approximately 405 students were enrolled for the school year.

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.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements 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. Other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred income of resources, equity, revenues and expenditures. The School reports the major governmental funds with all non-major funds aggregated in a single column.

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.

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. Donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined.

Note 1 – Summary of Significant Accounting Policies (continued)

“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

Outstanding balances between funds are reported as “due to/from other funds”. Inter-fund transfers are made to move any excess or shortage of funds derived from the National School Lunch Program from the Non-Major Governmental Fund to the General 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.

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 \$500 or more.

Note 1 – Summary of Significant Accounting Policies (continued)

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 disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and Equipment	5 Years
Textbooks	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.

Revenue Sources

Revenues for operations will be 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. In addition, the school receives an annual allocation of charter school capital outlay funds for leasing of school facilities.

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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.

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.

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 long-term receivables, 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. Restricted net assets of the School related to reserves required by the landlord for property maintenance and repairs.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets and long-term receivables".

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 inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted net assets of the School related to reserves required by the landlord for property maintenance and repairs.
- 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 are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. 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.

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.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure August 30, 2017, 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 two financial institutions. As of June 30, 2017, the School's deposits consisted of cash balances of \$3,407.

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, 2017, bank balances in potential excess of FDIC coverage was approximately \$3,400.

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, 2017, the School has the following recurring fair value measurements:

- Government money market mutual fund of \$3,440,000 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 July 31, 2017, maturities of the fund's portfolio holdings are approximately 79% 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, 2017, 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 2 – Cash, Cash Equivalents and Investments (continued)

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to government money market mutual funds that can be redeemed daily.

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, 2017:

	Balance 07/01/16	Additions	Retirements	Balance 06/30/17
Capital Assets:				
Furniture, equipment and textbooks	\$ 393,741	\$ -	\$ -	\$ 393,741
Total Capital Assets	393,741	-	-	393,741
Less Accumulated Depreciation:				
Furniture, equipment and textbooks	(350,589)	(17,520)	-	(368,109)
Total Accum. Deprec.	\$(350,589)	\$ (17,520)	\$ -	\$(368,109)
Capital Assets, net	<u>\$ 43,152</u>	<u>\$ (17,520)</u>	<u>\$ -</u>	<u>\$ 25,632</u>

For the fiscal year ended June 30, 2017, depreciation expense is allocated in the Statement of Activities by function as follows:

Instruction	\$	16,875
Operation of plant		645
Total Depreciation Expense	<u>\$</u>	<u>17,520</u>

Note 4 – Education Service and Support Provider

Academica Dade, LLC, a professional charter school education service and support provider, provides 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, financial reporting and virtual services. The agreement with the education service 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, 2017, the School incurred \$182,025 in fees.

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

Note 5 – Transactions with other Divisions of The Doral Academy, Inc.

During 2017, the School was located on the premises of Doral Academy High School (a charter school under The Doral Academy, Inc.). Management allocates a proportionate share of leases, salaries, lunch receipts, food and supplies, and other expenses to each school individually based on student enrollment. In addition, Doral Academy High School holds the student activities fund of the School. The School reimbursed Doral Academy High School approximately \$1,270,000 during the year in connection with these shared costs.

The School's lunch program is shared with various other charter schools under The Doral Academy, Inc. Revenues and expenses related to such program have been allocated based on FTE equivalent for purposes of presentation in the financial statements.

The following schedule provides a summary of changes in long-term receivables for the year ended June 30, 2017:

	Balance 07/01/16	Additions	Repayments	Balance 06/30/17
Due from Doral Academy High School	\$ 550,000	\$ -	\$ -	\$ 550,000
Long-term receivables	<u>\$ 550,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 550,000</u>

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. \$80,400 in connection with these charges during the year.

Note 6 – Commitments, Contingencies, and Concentrations

The School entered into a lease and security agreement ("agreement") with School Development, LLC (the "Landlord", an affiliate of the School's education service and support provider – Note 4) for its 57,000 square foot building including all ancillary facilities, outdoor areas and other improvements. Fixed initial annual payments under this agreement were based on a rate of \$23.15 per square footage of the building, which amounted to \$1,319,550 adjusted annually based on the Consumer Price Index (CPI) plus additional property costs including repairs, maintenance and insurance. The agreement continues through August 2024 with an option to renew for an additional five-year term

Under the agreement, the School must meet certain covenants and requirements, including a "Lease Payment Coverage Ratio" of not less than 1.10 to 1.00. In addition, the School is required under the terms of the lease agreements to maintain a reserve for property expenses such as repairs, maintenance, taxes and insurance equal to 5% of their gross revenues for the fiscal year. As of June 30, 2017, the required reserve was \$154,507, and is reflected as restricted in the statement of net assets.

Note 6 – Commitments, Contingencies and Concentrations (continued)

With the Landlord's consent, the School made additional improvements to the leased premises with its own funds, generally described as a cafeteria building and other improvements. The landlord has agreed that no additional fixed rent is due in connection with these tenant improvements, however the School will pay any items of additional rent affected by the tenant improvements, including utilities and insurance. Upon expiration of the existing lease and security agreement, as so long as there is no material default at such time under the lease, the Landlord will make a contribution to the School in an amount equal to the unamortized original cost of the tenant improvements. Timely payment of such amount is unconditionally and irrevocably guaranteed in full by the landlord's members. Based on this understanding, the School is depreciating these particular tenant improvements using a 39-year useful life.

Under this agreement the School has granted a first lien on its pledged revenues, which includes all revenues collected by the school from the Florida Department of Education, the District, and all other sources. For 2017, rent expense totaled \$328,479. As of June 30, 2017, the School had prepaid approximately \$30,000 of rent expense.

Lease payments are allocated among School and Doral Academy High School based on enrollment and usage of facility. The allocation used for 2017, was approximately 19% for the School and 81% for Doral Academy High School.

Future minimum payments under these leases are as follows:

<u>Year</u>	
2018	\$1,749,000
2019	\$1,749,000
2020	\$1,749,000
2021	\$1,749,000
2022	\$1,749,000
2023-2024	\$3,497,000 (Total for two-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.

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

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, 2017, administrative fees withheld by the School District totaled \$31,921.

Note 7 – Risk Management

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

Note 8 – 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 \$17,653 for the year ended June 30, 2017. The School does not exercise any control or fiduciary responsibility over the Plan's assets, which are administered by Voya.

REQUIRED SUPPLEMENTARY INFORMATION

Doral Performing Arts and Entertainment Academy
(A charter school under The Doral Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2017

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 2,710,340	\$ 2,800,000	\$ 2,828,397
Other revenue	-	5,000	9,427
Total Revenues	<u>2,710,340</u>	<u>2,805,000</u>	<u>2,837,824</u>
EXPENDITURES			
Current:			
Instruction	1,608,568	1,260,000	1,242,237
Instructional Staff Training	1,450	-	-
Board	114,800	90,000	89,800
School Administration	214,525	214,525	202,144
Fiscal Services	61,350	60,675	60,675
Central Services	71,350	70,000	62,004
Pupil transportation services	1,000	-	-
Operation of Plant	331,695	300,000	278,788
Maintenance of Plant	1,000	1,000	710
Total Current Expenditures	<u>2,405,738</u>	<u>1,996,200</u>	<u>1,936,358</u>
Excess of Revenues			
Over Current Expenditures	<u>304,602</u>	<u>808,800</u>	<u>901,466</u>
Capital Outlay	150,000	-	-
Total Expenditures	<u>2,555,738</u>	<u>1,996,200</u>	<u>1,936,358</u>
Excess of Revenues Over Expenditures	154,602	808,800	901,466
Other financing sources (uses):			
Transfers in (out)	-	10,000	14,360
Net change in fund balance	154,602	818,800	915,826
Fund Balance at beginning of year	<u>1,520,256</u>	<u>1,520,256</u>	<u>1,520,256</u>
Fund Balance at end of year	<u>\$ 1,674,858</u>	<u>\$ 2,339,056</u>	<u>\$ 2,436,082</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.

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

Board of Directors of
Doral Performing Arts and Entertainment Academy
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, each major fund, and the aggregate remaining fund information of Doral Performing Arts and Entertainment Academy (the "School") as of, and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report August 30, 2017.

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 August 30, 2017, 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.


CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 30, 2017

MANAGEMENT LETTER

Board of Directors of
Doral Performing Arts and Entertainment Academy
Doral, Florida

Report on the Financial Statements

We have audited the financial statements of Doral Performing Arts and Entertainment Academy as of and for the fiscal year ended June 30, 2017 and have issued our report thereon dated August 30, 2017.

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 Reports and Schedules

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated August 30, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

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

There were no findings and recommendations made in the preceding audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Doral Performing Arts and Entertainment Academy.

Financial Condition

Sections 10.854(1)(e)2, Rules of the Auditor General, requires that we report the results of our determination as to whether or not Doral Performing Arts and Entertainment Academy has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met.

In connection with our audit, we determined that Doral Performing Arts and Entertainment Academy 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 Performing Arts and Entertainment Academy. It is management's responsibility to monitor Doral Performing Arts and Entertainment Academy'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. We have applied such procedures as of the fiscal year end and no deteriorating financial condition has been noted.

Transparency

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether Doral Performing Arts and Entertainment Academy 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 Performing Arts and Entertainment Academy maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Other Matters

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 such recommendations.

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and 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
August 30, 2017