



**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES**

**(A CHARTER SCHOOL AUTHORITY ESTABLISHED BY,
AND UNDER THE AUSPICES OF, MIAMI SHORES VILLAGE,
A FLORIDA MUNICIPAL CORPORATION)**

Miami Shores, Florida
Financial Statements and
Independent Auditors' Report
June 30, 2022

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D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES**

11301 N.W. 5th Avenue
Miami Shores, Florida 33168
(305) 754-2381

2021-2022

Board of Directors

Chairman	Ulvert, Mr. Christian (MSV 2023)
Vice Chair	Cigno, Dr. Nancy (MSV 2022)
Treasurer	Lemke, Mr. Andrew (PTSA)
Secretary	Rosenquest IV, Mr. John (MSV 2022)

Board Members

Duffy, Mr. Patrick (Miami Foundation)
Peterson, Dr. Randall (Barry University)
Fabricant, Rachel (PTSA)
Flagge, Dr. Joseph (Miami Foundation)
Strickland, Resa (MSV 2022)
Rodriguez, Yojana (MSV 2023)
Sunja, Ms. Leon (MSV 2023)
Winkle, Dr. Carter (Barry University)
Cameau, Ms. Rasha (MSV 2023)

School Administration

Executive Director	Dr. Edwin Acevedo
High School Principal	Ms. Danielle Guski
Middle School Principal	Ms. Yesenia Santiago



INDEPENDENT AUDITORS' REPORT

Board of Directors
Miami Shores Village Charter School Authority
d/b/a Doctors Charter School of Miami Shores
Miami Shores, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Doctors Charter School (the "School"), a charter school under Miami Shores Village Charter School Authority as of, and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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 Doctors Charter School as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Miami Shores Village Charter School Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Doctors Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of a Matter – Change in Accounting Principle

As described in Note 6 to the financial statements, in 2022, the School adopted new accounting guidance, GASB Statement No, 87, *Leases*. Our opinion is not modified with respect to this matter.

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 5 through 11 and 28 to 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 15, 2022 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 15, 2022

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

As management of Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores (DCSMS), we offer readers of DCSMS’s financial statements this narrative overview and analysis of the financial activities of the DCSMS for the year ended June 30, 2022. We encourage readers to consider this information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

DCSMS provided middle and high school education for 600 students in grades six through twelve under a charter sponsored by the District School Board of Miami-Dade County, Florida.

Our school consists of three concrete buildings on a five-acre campus. The buildings include a 5,300 square foot media center, an 8,000 square foot cafeteria, and a 33,000 square foot, two story classroom building. The building structure includes state-of-the-art science labs, a media center, music room, dining area and an outdoor physical education court.

Financial Highlights

1. The net position of the School at June 30, 2022 was \$1,772,702.
2. At year-end, the School had current assets on hand of \$1,811,241.
3. The net position of the School increased by \$51,574 during the year.
4. The unassigned fund balance at year end was \$1,090,561.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the DCSMS’s basic financial statements. DCSMS’s financial statements for the year ended June 30, 2022 are presented under 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 DCSMS’s finances, in a manner similar to a private-sector business.

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

The *Statement of Activities* presents information on how DCSMS’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 12-13 of this report.

Fund financial statements

A “*fund*” is a collection of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. DCSMS, like other state and local

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MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the DCSMS 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.

DCSMS adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for its major governmental funds to demonstrate compliance with this budget.

The basic government fund financial statements can be found on pages 14-17 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 18 - 27 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, net position was \$1,772,702 at the close of the fiscal year. A summary of the School’s net position as of June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 1,496,109	\$ 1,614,133
Receivables	48	138
Prepaid expenses and other assets	4,081	1,397
Due from other agencies	311,003	50,347
Deposits, long-term	21,700	21,700
Capital and right of use assets, net	<u>2,034,275</u>	<u>299,502</u>
Total Assets	<u>3,867,216</u>	<u>1,987,217</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Current liabilities	456,317	266,089
Long term liabilities	<u>1,638,197</u>	<u>-</u>
Total Liabilities	<u>2,094,514</u>	<u>266,089</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net Investment in capital assets	300,594	299,502
Restricted	312,228	241,263
Unrestricted	<u>1,159,880</u>	<u>1,180,363</u>
Total Net Position	<u>\$ 1,772,702</u>	<u>\$ 1,721,128</u>

At the end of the year, DCSMS is able to report continued positive balances in the categories of net position. The same situation held true for the prior fiscal year.

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MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

A summary and analysis of DCSMS’s revenues and expenses for the years ended June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
REVENUES		
Capital Grants and Contributions	\$ 377,786	\$ 344,434
State passed through local	4,322,590	4,110,752
Federal sources	610,381	22,508
Charges for services	59,453	94,772
Fundraising and other revenues	57,238	55,820
Interest Income	5,511	11,287
Total Revenues	<u>\$ 5,432,959</u>	<u>\$ 4,639,573</u>
EXPENSES		
Instruction	2,823,819	2,709,936
Instructional Curriculum	85,817	36,829
General Administration	350,650	359,373
School Administration	505,887	452,720
Fiscal Services	93,164	106,190
Food Services	251,033	74,377
Central Services	39,690	39,148
Pupil Transportation Services	107,070	30,970
Operation of Plant	145,303	317,669
Maintenance of Plant	205,245	250,339
Community Service	437,161	85,417
Debt Service	89,163	-
Unallocated depreciation	247,383	79,599
Total Expenses	<u>5,381,385</u>	<u>4,542,567</u>
Increase in net position	51,574	97,006
Net Position at Beginning of Year	<u>1,721,128</u>	<u>1,624,122</u>
Net Position at End of Year	<u>\$ 1,772,702</u>	<u>\$ 1,721,128</u>

DCSMS’s revenues and expenses increased in the current year by \$793,386 and \$838,818, respectively. The revenue increase is primarily due to an increase in enrollment and federal funding..

School Location and Lease of Facility

The School leases a facility located at 11301 N.W. 5th Avenue, Miami Shores, Florida, 33168.

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 600 students enrolled in grades six through twelve.

Achievements

Doctors Charter School of Miami Shores is a public college preparatory and municipally independent not for profit charter school. It is the only high school in Miami Shores. Teaching students in sixth through twelfth grades, the school continues to be recognized as an "A" rated

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JUNE 30, 2022**

school. Over 26% (150 students) of the nearly 590 student population live within the boundaries of the Miami Shores Village.

Ranked among the top public traditional and charter schools in the State of Florida, the school was recognized in 2021 by US News and World Report in the best high school rankings:

- Top 7% in the National Rankings,
- Top 8% of all Charter High Schools,
- Top 7% of Florida High Schools and
- Top 29% of Charter High Schools in Miami-Dade County.

DCS is accredited by the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS CASI), an accreditation body of AdvancED. The Vision for DCS: Inspiring students towards: Discovery, Citizenship, and Scholarship coupled with the Mission of DCS: Empowering students to reach academic excellence and to embrace community service as global citizens, serves to keep the school community focused on the opportunities for all students who choose to attend this prestigious school.

The highly qualified and certified faculty and staff at Doctors Charter School averages more than fifteen years of experience in education and over 50% of the faculty possess Master's degrees or higher. Instructional faculty members teach to their passions while maintaining high expectations and the state standards in their classrooms. Partnerships with Barry University and Miami Dade College offer opportunities for dual enrollment with Barry courses taught on the DCS campus. Advanced placement courses are offered in array of subjects in addition to acceleration to higher levels; students are encouraged to test their personal limits to achieve academic goals. Doctors Charter School offers relevant and rigorous academic programming in a safe, personable, and community-based setting.

Due to the COVID-19 pandemic, the school house closed its doors to brick and mortar learning. However, eLearning provided a platform where academics continued to thrive at DCS through online resources employed by the school utilizing Canvas as a learning management system and Zoom to provide live connection for course delivery. The 2020-21 school year saw teachers and student pivot quickly, and yet, academics were not lost. One hundred percent of the class of 2021 graduated. During the pandemic, our extremely supportive Board of Directors supported outdoor sports such as track and field, swimming, and Boys Baseball, which allowed our students to achieve county and state recognitions. Additionally, several of our 8th grade students received world championship recognition during a Sphero robotics competition.

Academics, athletics, extra-curricular activities, and even international travel provide students with intellectual, physical, creative, charitable, and adventuresome opportunities to explore themselves and their potential. While many of these activities are currently on hold, it is the promise that they will resume with an added flair in the future. Students in grades 6-8 develop valuable study skills pertinent for success at the middle school level. In grades 9-12, students engage in challenging courses geared to position them for success beyond graduation at the college level. A supportive faculty and staff maintain a student-centered educational environment. With a high college acceptance rate, DCS graduates pursue studies at public and private universities and colleges. Accommodating and accessible, Doctors Charter School faculty members aim to strengthen student achievement, involve parents and families in the process, and

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
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MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

enhance student experiential learning. In order to provide our students with quality educational experiences, we maintain instructional technology infrastructure and science laboratories to the most up-to-date levels. Integrating STEM programming annually into our academics while also affording students with exposure to the visual and performing arts, Doctors Charter School provides a well-rounded education. Beyond the school day, high school students have the opportunity to travel abroad (having now visited over 20 countries) and visiting colleges and universities with our annual college tour. Our scholar-athletes can participate in approximately ten different sports (e.g. Volleyball, Swimming, Cross Country, Basketball, Weightlifting, Baseball, Tennis, and more). In 2021, scholar athletes reached regional and state level competition in swimming and cross-country despite the COVID-19 pandemic. In addition, DCS offers an array of other special interest and extra-curricular pursuits (e.g. Key Club, GSA, National Honor Society, Robotics Club, Brother to Brother, Sister to Sister, National Jr. Honor Society, Builders Club, Green Club, and more).

Thanks to a supportive community and PTSA, DCS is now one-to-one in technology providing each student with a laptop to garner new skills in the 21st century. Technology resources for teachers continue to be a priority to build capacity for innovative teaching and learning. An education at Doctors Charter School includes more than academics; it incorporates the full spectrum of experiences that all students need in order to become socially aware individuals, participatory members in their neighborhoods, and community servants at large. DCS strives to live the mission and represent the best of the best daily.

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 of \$1,116,342. The fund balance unassigned and available for spending at the School’s discretion is of \$1,090,561.

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MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Capital Assets

The School’s investment in capital assets (including right of use assets) as of June 30, 2022 amounts to \$2,034,275 (net of accumulated depreciation and amortization). This investment in capital assets includes improvements, furniture, fixtures and computer equipment. The School had long-term liabilities of \$1,733,681 associated with its capital assets.

New Accounting Pronouncements Adopted

As described in Note 6, the School adopted GASB Statement No, 87, *Leases*. The effect of the adoption was to capitalize a right of use asset (building) with a corresponding liability which is being amortized over the life of the underlying lease agreement. The overall impact on the financial statements was to record interest and amortization expense related to the underlying asset and liability which results in higher total expenses (compared to pre-adoption) during the early years of the lease agreement.

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
REVENUES			
Program Revenues			
Capital Grants and Contributions	\$ 311,585	\$ 311,585	\$ 377,786
Federal Lunch program	-	-	610,381
Charges for Services	-	-	59,453
General Revenues			
FTE and other Nonspecific	4,152,609	4,152,609	4,322,590
Other Revenues	-	-	62,749
Total Revenues	<u>\$ 4,464,194</u>	<u>\$ 4,464,194</u>	<u>\$ 5,432,959</u>
CURRENT EXPENSES			
Instruction	\$ 2,661,584	\$ 2,661,584	\$ 2,823,819
Instructional Staff Training	37,942	37,942	85,817
General Administration	347,274	347,274	350,650
School Administration	482,362	482,362	505,887
Fiscal Services	113,197	113,197	93,164
Food Services	-	-	251,033
Central Services	49,500	49,500	39,690
Pupil Transportation Services	68,400	68,400	107,070
Operation of Plant	146,500	146,500	145,303
Maintenance of Plant	204,485	204,485	205,245
Community Services	-	-	437,161
Total Current Expenses	<u>\$ 4,111,244</u>	<u>\$ 4,111,244</u>	<u>\$ 5,044,839</u>

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

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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Request for Information

This financial report is designed to provide a general overview of the DCSMS's finances for all those with an interest in the DCSMS's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to Dr. Edwin Acevedo, Executive Director, Doctors Charter School, 11301 N.W. 5th Avenue, Miami Shores, Florida 33168. Telephone number: (305)754-2381.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<u>Assets</u>	
Current Assets:	
Cash	\$ 1,496,109
Accounts receivable, net of allowance	48
Due from other agencies	311,003
Prepaid expenses	4,081
	<u>1,811,241</u>
Capital assets, depreciable	807,707
Less: accumulated depreciation	(469,161)
Right-of-use lease asset	1,824,518
Less: accumulated amortization	(128,789)
	<u>2,034,275</u>
Deposits	<u>21,700</u>
Total Assets	<u>3,867,216</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>
<u>Liabilities</u>	
Current Liabilities:	
Accounts payable	10,252
Accrued liabilities	350,581
Lease liability, current	95,484
	<u>456,317</u>
Lease liability	<u>1,638,197</u>
Total Liabilities	<u>2,094,514</u>
<u>Deferred Inflows of Resources</u>	<u>-</u>
<u>Net Position</u>	
Net investment in capital assets	300,594
Restricted for capital projects	306,228
Restricted by donor	6,000
Unrestricted	1,159,880
Total Net Position	<u>\$ 1,772,702</u>

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

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 2,823,819	\$ -	\$ 311,994	\$ -	\$ (2,511,825)
Instruction and Curriculum Development	85,817	50,493	-	-	(35,324)
General Administration	350,650	-	-	-	(350,650)
School Administration	505,887	-	-	-	(505,887)
Fiscal Services	93,164	-	-	-	(93,164)
Food Services	251,033	3,715	298,387	-	51,069
Central Services	39,690	-	-	-	(39,690)
Pupil Transportation Services	107,070	5,245	-	-	(101,825)
Operation of Plant	145,303	-	-	377,786	232,483
Maintenance of Plant	205,245	-	-	-	(205,245)
Community Services	437,161	57,238	-	-	(379,923)
Debt service	89,163	-	-	-	(89,163)
Unallocated Depreciation and Amortization	247,383	-	-	-	(247,383)
Total Governmental Activities	\$ 5,381,385	\$ 116,691	\$ 610,381	\$ 377,786	\$ (4,276,527)

General revenues:

FTE and other nonspecific revenues	\$ 4,322,590
Interest and other income	5,511

Change in Net Position	51,574
Net position - beginning	1,721,128
Net position - ending	\$ 1,772,702

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

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
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BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<u>Assets</u>				
Cash	\$ 1,140,343	\$ 49,538	\$ 306,228	\$ 1,496,109
Accounts receivable, no allowance necessary	48	-	-	48
Due from other agencies	-	281,739	29,264	311,003
Prepaid expenses	4,081	-	-	4,081
Deposits receivable	21,700	-	-	21,700
Interfund receivable	311,003	-	-	311,003
Total Assets	<u>1,477,175</u>	<u>331,277</u>	<u>335,492</u>	<u>2,143,944</u>
<u>Deferred Outflows of Resources</u>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Liabilities</u>				
Accounts payable and accrued liabilities	360,833	-	-	360,833
Interfund liability	-	281,739	29,264	311,003
Total Liabilities	<u>360,833</u>	<u>281,739</u>	<u>29,264</u>	<u>671,836</u>
<u>Deferred Inflows of Resources</u>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund balance</u>				
Nonspendable, not in spendable form	25,781	-	-	25,781
Restricted	-	6,000	306,228	312,228
Unassigned	1,090,561	43,538	-	1,134,099
Total Fund Balance	<u>1,116,342</u>	<u>49,538</u>	<u>306,228</u>	<u>1,472,108</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,477,175</u>	<u>\$ 331,277</u>	<u>\$ 335,492</u>	<u>\$ 2,143,944</u>

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

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balance - Governmental Funds \$ 1,472,108

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

Capital assets of \$2,632,225 net of accumulated depreciation and amortization of \$597,950 used in governmental activities are not financial resources and therefore are not reported in the fund. 2,034,275

Long term liabilities in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds. (1,733,681)

Total Net Position - Governmental Activities \$ 1,772,702

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

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
State capital outlay funding	\$ -	\$ -	\$ 377,786	\$ 377,786
State passed through local	4,322,590	-	-	4,322,590
Federal sources	-	610,381	-	610,381
Charges for services	55,738	3,715	-	59,453
Fundraising and other revenues	-	57,238	-	57,238
Interest and other income	5,511	-	-	5,511
Total Revenues	<u>\$ 4,383,839</u>	<u>\$ 671,334</u>	<u>\$ 377,786</u>	<u>\$ 5,432,959</u>
Expenditures:				
Current:				
Instruction	\$ 2,511,825	\$ 311,994	\$ -	\$ 2,823,819
Instructional and Curriculum Development	85,817	-	-	85,817
General Administration	350,650	-	-	350,650
School Administration	505,887	-	-	505,887
Fiscal Services	93,164	-	-	93,164
Food Services	-	251,033	-	251,033
Central Services	39,690	-	-	39,690
Pupil Transportation Services	107,070	-	-	107,070
Operation of Plant	145,303	-	-	145,303
Maintenance of Plant	117,825	-	87,420	205,245
Community Services	-	437,161	-	437,161
Capital Outlay:				
Other Capital Outlay	157,638	-	-	157,638
Right-of-use lease asset (building)	-	-	1,824,518	1,824,518
Debt Service:				
Redemption of Principal	-	-	90,837	90,837
Interest	-	-	89,163	89,163
Total Expenditures	<u>4,114,869</u>	<u>1,000,188</u>	<u>2,091,938</u>	<u>7,206,995</u>
Excess (Deficit) of Revenues Over Expenditures	268,970	(328,854)	(1,714,152)	(1,774,036)
Other Financing Sources:				
Increase in lease liabilities	-	-	1,824,518	1,824,518
Transfer in and (out)	(245,116)	285,191	(40,075)	-
Net change in fund balance	23,854	(43,663)	70,291	50,482
Fund Balance at beginning of year	<u>1,092,488</u>	<u>93,201</u>	<u>235,937</u>	<u>1,421,626</u>
Fund Balance at end of year	<u>\$ 1,116,342</u>	<u>\$ 49,538</u>	<u>\$ 306,228</u>	<u>\$ 1,472,108</u>

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

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT
OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Change in Fund Balance - Governmental Funds \$ 50,482

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 of \$1,982,156, differed from depreciation and amortization expense of \$247,383 1,734,773

Increases in long term liabilities provide current financial resources to governmental funds, but a decrease or repayment of such payables reduces liabilities in the statement of net position. This is the amount by which decreases of \$90,837 differed from increases of \$1,824,518. (1,733,681)

Change in Net Position of Governmental Activities \$ 51,574

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

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 1 – Organization and Operations

Reporting Entity

Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores (DCSMS) was created under Chapter 2, Article VI, Sections 2.90 et seq. of the Miami Shores Village Code, a Florida municipal corporation and has established a charter school for children from grades six through twelve.

The general operating authority of DCSMS is contained in Section 1002.33 of the Florida Statutes. DCSMS operated under a charter of the sponsoring district, the District School Board of Miami-Dade County, Florida (the “District”). The charter is effective until June 30, 2035. These financial statements are for the fiscal year ended June 30, 2022 which covers the 2021-2022 school year. DCSMS had an enrollment of 600 students during that school year. The Board of Directors has determined that no component unit exists that would require inclusion in the School’s financial statements.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – *Audits for States and Local Governments* and provisions of Florida Statutes, DCSMS is presented as a governmental organization for financial statement reporting purposes. 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 for DCSMS as a whole. Any interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as DCSMS 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. 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.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2 – Summary of Significant Accounting Policies (continued)

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.

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. Major individual governmental funds are reported as separate columns in the fund financial statements:

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.

Capital Projects Fund – is used to account for the resources restricted for the acquisition or construction of specific capital assets and from state and local capital outlay funding that are legally restricted to expenditures for particular purposes.

Special Revenue Fund - accounts for specific revenue, such as fundraising, the federal lunch program and other federal grants (including COVID-19 emergency relief funding) that are legally restricted to expenditures for particular purposes.

Measurement Focus and Basis of Accounting

The financial statements of DCSMS are prepared in accordance with Generally Accepted Accounting Principles (GAAP). DCSMS'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.

DCSMS 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.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2 – Summary of Significant Accounting Policies (continued)

Non-exchange transactions occur when DCSMS 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.

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. DCSMS 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 and cash equivalents include all highly liquid investments with a maturity of three months or less.

Due from Other Governments or Agencies

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

Inter-fund Transfers

Inter-fund receivables/payables (“due from/to”) are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund. See Note 6.

Charges for Services

DCSMS charges students for various instruction and curriculum development programs. These activities are recorded in the general fund since the fees charged are only to supplement the programs and the cost of such programs substantially exceed the fees.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2 – Summary of Significant Accounting Policies (continued)

Capital Assets

DCSMS's property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the statement of net position in the government-wide financial statements. Donated assets are stated at fair value on the date donated. DCSMS generally capitalizes assets with a cost of more than \$750 for tangible personal property and more than \$1,500 for improvements other than buildings. 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 over the estimated useful life of the asset. 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 the government wide statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds.

The right to use assets are initially measure at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Estimated useful lives, in years, for capital assets are as follows:

Fixed Equipment	10 Years
Furniture and Fixtures	5 Years
Computer and Software	3 Years
Right of use (Building)	15 Years

Revenue Sources

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in DCSMS's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, DCSMS 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 DCSMS 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 DCSMS 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.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2 – Summary of Significant Accounting Policies (continued)

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.

Compensated Absences

DCSMS grants a specific number of sick days. Full time faculty members are eligible for ten days of sick/personal leave as of the first day of employment for each contract year. In the event that available time is not used by the end of the contract year, employees may “cash out” unused sick days however, the employees may only cash out up to 6 days at 50% of their daily rate. There is no termination payment for accumulated unused sick days.

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 sick days available to be used in future benefits years.

Long-Term Debt and Liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

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 - 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. Restricted net position of DCSMS relate to reserves required by the landlord for property maintenance and repairs.
- c) Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

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

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2 – 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 list 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 and prepaid expenses.
- 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 fund balance of DCSMS relate 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 DCSMS's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification intended to be used by DCSMS's management for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balances at year end pertain to the school's fund raising account.
- e) Unassigned - fund balance is the residual classification for DCSMS's general fund and includes all spendable amounts not contained in the other classifications.

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.

Income Taxes

DCSMS is an agency of Miami Shores Village, a Florida municipal corporation pursuant to Chapter 2, Article VI, Sections 2.90 et seq of the Village Code, and is, therefore, exempt from income tax. In addition, during the year, DCSMS was granted tax exempt status under Internal Revenue Code Section 501(c)(3). Accordingly, no tax provision has been made in the accompanying financial statements.

Subsequent Events

In accordance with GASB Codification Section 2250.106, DCSMS has evaluated subsequent events and transactions for potential recognition or disclosure through September 15, 2022, which is the date the financial statements were available to be issued.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 2 – Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

New Accounting Standard Adopted

In fiscal year 2022, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: Statement No. 87 Leases. See Note 6.

In fiscal year 2022, the School adopted GASB issued Statement No. 92, Omnibus. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Certain requirements of this Statement are effective immediately and others for reporting periods beginning after June 15, 2021. These changes were incorporated in the School's 2022 financial statements and had no effect.

Pronouncements Issued But Not Yet Effective

GASB has issued GASBS Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Note 3 – Deposits Policy and Credit Risk

It is DCSMS's policy to maintain its cash and cash equivalents in major banks and in high grade investments. As of June 30, 2022, the carrying amount of DCSMS's deposits was \$1,496,109.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. Bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2022, bank balances in excess of FDIC coverage totaled \$1,324,491.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 4 – Changes in Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2022:

	Balance 7/1/21	Addition	Retirement/ Reclassification	Balance 6/30/22
Capital Assets, depreciable:				
Furniture and fixtures	\$ 116,035	\$ 14,800	\$ -	\$ 130,835
Building and fixed equipment	149,218	-	-	149,218
Computer equipment and software	384,816	142,838	-	527,654
Total Capital Assets	<u>650,069</u>	<u>157,638</u>	-	<u>807,707</u>
Less Accumulated Depreciation:				
Furniture and fixtures	(41,094)	(23,753)	-	(64,847)
Building and fixed equipment	(106,164)	(8,812)	-	(114,976)
Computer equipment and software	(203,309)	(86,029)	-	(289,338)
Total Accumulated Depreciation	<u>(350,567)</u>	<u>(118,594)</u>	-	<u>(469,161)</u>
Total Capital Assets, net	<u>\$ 299,502</u>	<u>\$ 39,044</u>	<u>\$ -</u>	<u>\$ 338,546</u>
Lease Assets:				
Right of use lease asset (building)	\$ -	\$ 1,824,518	\$ -	\$ 1,824,518
Less: Accumulated amortization	-	(128,789)	-	(128,789)
Total Lease Assets, net	<u>-</u>	<u>1,695,729</u>	<u>-</u>	<u>1,695,729</u>
Governmental Activities Capital Assets, net	<u>\$ 299,502</u>	<u>\$ 1,734,773</u>	<u>\$ -</u>	<u>\$ 2,034,275</u>

Depreciation and amortization expense for the year ended June 30, 2022 was \$247,383.

Note 5 – Contingencies and Concentrations

DCSMS 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, DCSMS participates in a number of federal, state and local grants which are subject to financial and compliance audits. It is the opinion of management that the amount of revenue, 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 DCSMS.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 5 – Contingencies and Concentrations (continued)

MSV received support for the construction of the building and facilities from North Dade Medical Foundation, Inc. (NDMF) in the form of a \$5,000,000 grant. Under a grant agreement between NDMF and MSV, a portion of those funds is to be used to supplement the annual operating income of the charter school operations, as needed. As of June 30, 2022 the grant had an available balance of approximately \$1,495,000.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% of the qualifying revenues of DCSMS. For the year ended June 30, 2022, administrative fees withheld by the School District totaled \$37,154.

Note 6 – Long-term Liabilities

DCSMS’s building and facilities are located on land owned by Barry University, Inc., which leases the property to Miami Shores Village (MSV) under a “Ground Lease Agreement” which expires upon the expiration of the Charter issued by the Dade County School Board, which expires on August 30, 2035. Under the terms of the “Ground Lease Agreement”, MSV owns a fee simple interest in all improvements made on the property which include the erected building and facilities. DCSMS subleases the real property and improvements (collectively the “Premises”), from MSV under the “Charter School Sublease Agreement” which expires on August 7, 2035.

The School has implemented GASB Statement No. 87 Leases, and as a result recorded a lease right of use asset and liability in these financial statements. At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The School has used an average effective interest for several borrowings during FY 2021 and 2022. The average borrowing rate was 5% which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability as of June 30, 2022.

For the year ended June 30, 2022, interest expense totaled \$89,163, as it relates to its lease agreement. For 2022, there were no variable payments related to the lease agreement.

Future minimum payments for the lease are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	
2023	\$ 95,484	\$ 84,516	
2024	100,370	79,630	
2025	105,505	74,495	
2026	110,903	69,097	
2027	116,577	63,423	
2028-2032	678,689	221,311	<i>total for five-year period</i>
2033-2035	526,153	43,846	<i>total for three-year period</i>
Total	<u>\$ 1,733,681</u>	<u>\$ 636,318</u>	

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

Note 6 – Long-term Liabilities (continued)

Changes in long-term liabilities are as follows:

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Lease liability	\$ -	\$ 1,824,518	\$ (90,837)	\$ 1,733,681
Total	<u>\$ -</u>	<u>\$ 1,824,518</u>	<u>\$ (90,837)</u>	<u>\$ 1,733,681</u>

Note 7 – Inter-fund Transfers

Inter-fund balances are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund
Capital Projects Fund reimbursement of expenditures to General Fund	\$ 29,264	\$ -	\$ (29,264)
Due to General Fund from Special Revenue Fund for federal grants	281,739	(281,739)	-
Total Due from/(Due to)	<u>\$ 311,003</u>	<u>\$ (281,739)</u>	<u>\$ (29,264)</u>

Inter-fund transfers are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund
To reimburse the general fund for expenditures incurred	\$ 40,075	\$ -	\$ (40,075)
To fund the special revenue fund for community service deficit	(285,191)	285,191	-
Total Transfers, net	<u>\$ (245,116)</u>	<u>\$ 285,191</u>	<u>\$ (40,075)</u>

Note 8 – Defined Contribution Plan

DCSMS has elected to participate in a Group Retirement Annuity Trust (the “Plan”) to provide retirement savings and incidental benefits for its employees. Employees may contribute a percentage of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. DCSMS will contribute up to 5% of the employee’s base salary and will match an additional amount at the discretion of management. As of June 30, 2022, DCSMS incurred \$136,851 in contribution costs related to the Plan.

Note 9 – Risk Management

DCSMS 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 DCSMS carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past three years. In addition, there were no reductions in insurance coverage from those in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund		
	Original Budget	Final Budget	Actual
Revenues:			
State passed through local	\$ 4,152,609	\$ 4,152,609	\$ 4,322,590
Charges for services	5,000	5,000	55,738
Interest and other income	-	-	5,511
Total Revenues	<u>\$ 4,157,609</u>	<u>\$ 4,157,609</u>	<u>\$ 4,383,839</u>
Expenditures:			
Current:			
Instruction	\$ 2,661,584	\$ 2,661,584	\$ 2,511,825
Instructional and Curriculum Development	37,942	37,942	85,817
General Administration	347,274	347,274	350,650
School Administration	482,362	482,362	505,887
Fiscal Services	113,197	113,197	93,164
Central Services	49,500	49,500	39,690
Pupil Transportation Services	68,400	68,400	107,070
Operation of Plant	146,500	146,500	145,303
Maintenance of Plant	117,485	117,485	117,825
Capital Outlay:			
Other Capital Outlay	158,000	158,000	157,638
Total Expenditures	<u>\$ 4,182,244</u>	<u>\$ 4,182,244</u>	<u>\$ 4,114,869</u>
Excess (Deficit) of Revenues			
Over Expenditures	(24,635)	(24,635)	268,970
Other Financing Sources:			
Transfer in and (out)	-	-	(245,116)
Net change in fund balance	(24,635)	(24,635)	23,854
Fund Balance at beginning of year	<u>1,092,488</u>	<u>1,092,488</u>	<u>1,092,488</u>
Fund Balance at end of year	<u>\$ 1,067,853</u>	<u>\$ 1,067,853</u>	<u>\$ 1,116,342</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.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Special Revenue Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Federal sources	\$ -	\$ -	\$ 610,381
Charges for services	-	-	3,715
Fundraising and other revenues	-	-	57,238
Total Revenues	<u>-</u>	<u>-</u>	<u>671,334</u>
Expenditures:			
Current:			
Instruction	-	-	311,994
Instructional and Curriculum			
Food Services	-	-	251,033
Community Services	-	-	437,161
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,000,188</u>
Excess (deficit) of Revenues Over Expenditures	-	-	(328,854)
Other financing sources:			
Transfer in and (out)	<u>-</u>	<u>-</u>	<u>285,191</u>
Net change in fund balance			(43,663)
Fund Balance at beginning of year	<u>93,201</u>	<u>93,201</u>	<u>93,201</u>
Fund Balance at end of year	<u>\$ 93,201</u>	<u>\$ 93,201</u>	<u>\$ 49,538</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
Miami Shores Village Charter School Authority
D/B/A Doctors Charter School of Miami Shores
Miami Shores, 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 Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores (“DCSMS”) as of, and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise DCSMS’s basic financial statements and have issued our report thereon dated September 15, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DCSMS’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DCSMS’s internal control. Accordingly, we do not express an opinion on the effectiveness of DCSMS’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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

We issued a separate management letter dated September 15, 2022 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.

Handwritten signature in blue ink that reads "HLB Gravier, LLP".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 15, 2022



MANAGEMENT LETTER

Report on the Financial Statements

We have audited the financial statements of Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores as of and for the year ended June 30, 2022 and have issued our report thereon dated September 15, 2022.

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.

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 15, 2022, 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 annual financial audit report.

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 Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores ("DCSMS"), 6040.

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 DCSMS 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 DCSMS 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 DCSMS. It is management's responsibility to monitor DCSMS'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 communicate any recommendation to improve financial management. In connection with our audit, we did not have any such 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 DCSMS maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In Connection with our audit, we determined that DCSMS 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, require 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.

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.

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

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 15, 2022