

DREAMERS ACADEMY CHARTER SCHOOL
SARASOTA, FLORIDA
(A CHARTER SCHOOL UNDER DREAMERS
ACADEMY, INC.)

BASIC FINANCIAL STATEMENTS, INDEPENDENT
AUDITOR'S REPORT AND SUPPLEMENTAL
INFORMATION

JUNE 30, 2024

DREAMERS ACADEMY CHARTER SCHOOL
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2024

TABLE OF CONTENTS

	PAGES
General Information.....	1
Independent Auditor's Report.....	2-4
Management's Discussion and Analysis (not covered by Independent Auditor's Report).....	5-10
Basic Financial Statements	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position.....	11
Statement of Activities.....	12
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds.....	13
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position.....	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	16
Notes to Basic Financial Statements.....	17-25
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund.....	26
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Special Revenue Fund.....	27
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Debt Service Fund.....	28
Notes to Required Supplemental Information.....	29
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30-31
Management Letter.....	32-33

DREAMERS ACADEMY CHARTER SCHOOL
(A Charter School Under Dreamers Academy, Inc.)

1050 S. Tuttle Avenue
Sarasota, FL 34237
(941) 888-4000

2023-2024

BOARD OF DIRECTORS

Mr. Dan Kennedy
Ms. Aylette Figueredo
Mr. Humberto Alvia
Ms. Kaveecia Moore
Mr. Thomas Chaffee

SCHOOL ADMINISTRATION

Dr. Cathy Rodriguez, Head of School



Verdeja • Alvarez

Certified Public Accountants & Advisors



Octavio F. Verdeja, Founder - 1971

Manny Alvarez, C.F.F., C.P.A.
Lisset I. Cascudo, C.P.A.
Michelle del Sol, C.F.E., C.P.A.
Cristy C. Rubio, C.P.A.
Javier Verdeja, C.P.A.
Octavio A. Verdeja, C.P.A.
Octavio "Tab" Verdeja, C.F.F., C.P.A.

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Dreamers Academy Charter School
Sarasota, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dreamers Academy Charter School (the "School"), a charter School under Dreamers Academy, Inc., as of and for the year ended June 30, 2024, 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, each major fund, and the aggregate remaining fund information of Dreamers Academy Charter School, as of June 30, 2024, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School, 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 the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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, 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.

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 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 19, 2024 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, and 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 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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 19, 2024

Management's Discussion and Analysis
Dreamers Academy Charter School
June 30, 2024

The corporate officers of Dreamers Academy Charter School (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2024, the School's third year of operations.

FINANCIAL HIGHLIGHTS

1. In its third year of operations, the School had a positive fund balance at June 30, 2024 of \$3,853,505.
2. At year-end, the School had current assets of \$4,726,567, which includes cash of \$2,687,520 that is restricted for capital projects and related financing.

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, 2024 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets and liabilities. The difference between the two 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 as soon as the underlying event resulting in the change 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 11 – 12 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.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds, if applicable. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 13 – 16 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 17 – 25 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2024 and 2023 follows:

Assets	2024	2023
Cash and cash equivalents	\$ 2,039,047	\$ 636,718
Restricted cash	2,687,520	5,994,224
Prepaid expenses	-	33,880
Capital assets, net	16,102,403	13,104,362
Total Assets	\$ 20,828,970	\$ 19,769,184
Liabilities and Net Deficit		
Accounts and wages payable and accrued liabilities	\$ 308,342	\$ 188,300
Accrued interest payable	564,720	564,720
Bonds payable, net	20,487,321	20,475,392
Total Liabilities	21,360,383	21,228,412
Invested in capital assets (deficit), net of related debt	(4,384,918)	(7,371,030)
Restricted for debt service, net of accrued interest	1,748,907	2,299,871
Restricted for capital projects	373,893	3,129,633
Unrestricted	1,730,705	482,298
Total Net Deficit	\$ (531,413)	\$ (1,459,228)
Total Liabilities and Net Deficit	\$ 20,828,970	\$ 19,769,184

The fiscal year June 30, 2024 was the School's third full year of operations. At June 30, 2024, the School's total assets were \$20,828,970 and total liabilities were \$21,360,383. At June 30, 2024, the School reported a total net deficit of \$531,413.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2024 and 2023 were as follows:

REVENUES	<u>2024</u>	<u>2023</u>
Program Revenues		
Federal passed through state	\$ 787,755	\$ 115,155
State capital outlay funding	95,259	33,883
Charges for services	212,295	139,450
General Revenues		
FEFP and other nonspecific revenue	5,091,422	3,222,535
Interest and other local revenue	773,375	417,068
Total Revenues	<u>\$ 6,960,106</u>	<u>\$ 3,928,091</u>
 EXPENSES		
Instruction	\$ 3,095,054	\$ 1,856,688
Instructional support services	3,600	-
Instructional and curriculum support	592	19,088
Instructional related technology	2,276	-
Food services	24,715	-
General administration	136,508	140,988
School administration	625,050	454,283
Central services	592	9,130
School board	114,310	117,641
Internal services	26,331	-
Facilities acquisition and construction	37,747	7,074
Operation of plant	570,402	651,889
Maintenance of plant	16,619	9,651
Fiscal services	63,192	46,093
Pupil transportation	23,072	45,669
Administrative technology services	6,050	500
Community services	26,252	20,140
Interest on long-term debt	1,248,000	1,244,176
Other debt service	11,929	11,928
Total Expenses	<u>\$ 6,032,291</u>	<u>\$ 4,634,938</u>
Change in Net Position	\$ 927,815	\$ (706,847)
Net Deficit at Beginning of Year	<u>(1,459,228)</u>	<u>(752,381)</u>
Net Deficit at End of Year	<u>\$ (531,413)</u>	<u>\$ (1,459,228)</u>

The School's total revenues for the year ended June 30, 2024 were \$6,960,106 while its total expenses were \$6,032,291 for a net increase of \$927,815 during its third year of operations.

ACCOMPLISHMENTS

Dreamers Academy is proud to be the only dual-language school in Sarasota County. Our mission is to cultivate bilingual, biliterate, and cross-cultural leaders of character within a nurturing environment that encourages family engagement and celebrates America. We utilize the model established by the Center for Applied Linguistics, which is recognized as a best practice among the most successful dual-language programs nationwide.

For our third year of operations, we had an enrollment of 439 students in Kindergarten through Fourth Grade. Looking ahead to the 2024-2025 school year, our enrollment increased to 522 students, now encompassing Kindergarten through Fifth Grade.

This past year, we transitioned to our new campus in Newtown and proudly maintained a full staff, with 82% of our teachers being fully bilingual and 63% holding master degrees. Our positive work environment has allowed us to retain all of our highly effective teachers and staff while successfully recruiting new talent for the upcoming year.

To enhance family engagement, we established the Parent Teacher Council (PTC), which supports fundraising initiatives and organizes events such as the Fall Festival, Staff Appreciation Week, and Spirit Days for students. We have also coordinated beloved school-wide traditions, including the Literacy Parade, Fun Run, and Field Day. For the third consecutive year, Dreamers Academy partnered with Suncoast Remake Learning Day and collaborated with community organizations like The Patterson Foundation and United Way Suncoast. As a strategic partner of United Way Suncoast, we continue our mission to achieve 100% grade-level reading for our students. Our After School Literacy Enrichment and Tutoring Program further supports our students and their families.

Numerous educational institutions have visited our school to learn from our bilingual model, including representatives from the Community Foundation, Selby Gardens, the leadership of both Manatee and Sarasota School Districts, and universities such as the University of South Florida, University of Central Florida, University of Florida, and State College of Florida. We expect to have pre-service teacher interns in the upcoming year.

We are thrilled to have been awarded a grant of \$110,500 from Impact100SRQ to build our Biblioteca Tech Center, which will bolster our literacy initiatives. Additionally, we have completed our library and enhanced our playground areas for both kindergarten and older students, thanks to the funds raised by last year's Gala and the efforts of the PTC.

Dreamers Academy remains committed to fostering a dynamic and rigorous educational environment where every student can thrive.

SCHOOL LOCATION

The School operates in the Sarasota area located at 2146 Myrtle Street, Sarasota, FL 34234.

CAPITAL IMPROVEMENT REQUIREMENT

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, *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.

At the end of the fiscal year, the School's governmental funds had a decrease of \$2,058,297 and reported a combined fund balance of \$3,853,505 during its third year of operations.

GOVERNMENTAL FUND BUDGET ANALYSIS

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.

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local district	\$ 4,637,975	\$ 5,091,422	\$ 5,091,422
State capital outlay funding	220,000	787,755	787,755
Federal grants	353,905	-	-
Local and other revenue	388,000	919,531	919,531
Interest income	-	161,398	161,398
TOTAL REVENUES	\$ 5,599,880	\$ 6,960,106	\$ 6,960,106
EXPENDITURES			
Instruction	\$ 2,861,009	\$ 3,095,054	\$ 3,095,054
Instructional support services	61,376	3,600	3,600
Instructional related technology	-	2,276	2,276
Instructional and curriculum	-	592	592
General administration	131,761	136,508	136,508
School administration	439,992	526,272	526,272
Internal services	-	26,331	26,331
Central services	2,500	592	592
Board	75,000	114,310	114,310
Operation of plant	383,442	497,981	497,981
Maintenance of plant	16,200	16,619	16,619
Food services	65,000	24,715	24,715
Fiscal services	59,600	63,192	63,192
Pupil transportation	12,662	18,572	18,572
Administrative technology services	2,500	6,050	6,050
Community services	-	26,252	26,252
Capital outlay	-	3,211,487	3,211,487
Debt service	1,346,292	1,248,000	1,248,000
TOTAL EXPENDITURES	\$ 5,457,334	\$ 9,018,403	\$ 9,018,403
NET CHANGE IN FUND BALANCE	\$ 142,546	\$ (2,058,297)	\$ (2,058,297)

The general and special revenue fund budgets for the year ending June 30, 2024, were developed based on the School's anticipated revenues and expenditures and the expected student population for the School's third year of operations. Total initial budgeted general fund revenues and expenditures were consistent with actual results. Over the course of the year, the School revised its budgets to actual for all funds. Refer to the budgetary comparison schedules on pages 26-28 for additional information.

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Dr. Cathy Rodriguez, Head of School, at 2146 Myrtle Street, Sarasota, FL 34234.

DREAMERS ACADEMY CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 2,039,047
Restricted cash	2,687,520
TOTAL CURRENT ASSETS	<u>4,726,567</u>
CAPITAL ASSETS, NET	
Capital assets, net of accumulated depreciation	<u>16,102,403</u>
TOTAL CAPITAL ASSETS, NET	<u>16,102,403</u>
 TOTAL ASSETS	 <u><u>\$ 20,828,970</u></u>
LIABILITIES AND NET DEFICIT	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 18,124
Accrued payroll and related expenses	290,218
Accrued interest	564,720
TOTAL CURRENT LIABILITIES	<u>873,062</u>
 Bonds payable- long-term portion, net of bond discount amortization	 <u>20,487,321</u>
TOTAL LIABILITIES	<u>21,360,383</u>
NET DEFICIT	
Invested in capital assets (deficit), net of related debt	(4,384,918)
Restricted for debt service, net of accrued interest	1,748,907
Restricted for capital projects	373,893
Unrestricted	1,730,705
TOTAL NET DEFICIT	<u>(531,413)</u>
 TOTAL LIABILITIES AND NET DEFICIT	 <u><u>\$ 20,828,970</u></u>

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

DREAMERS ACADEMY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 3,095,054	\$ -	\$ 787,755	\$ -	\$ (2,307,299)
Instructional support services	3,600	-	-	-	(3,600)
Instructional and curriculum support	592	-	-	-	(592)
Instructional related technology	2,276	-	-	-	(2,276)
Food services	24,715	-	-	-	(24,715)
General administration	136,508	-	-	-	(136,508)
School administration	625,050	-	-	-	(625,050)
Central services	592	-	-	-	(592)
School board	114,310	-	-	-	(114,310)
Internal services	26,331	-	-	-	(26,331)
Facilities acquisition and construction	37,747	-	-	-	(37,747)
Operation of plant	570,402	-	-	95,259	(475,143)
Maintenance of plant	16,619	-	-	-	(16,619)
Fiscal services	63,192	-	-	-	(63,192)
Pupil transportation	23,072	-	-	-	(23,072)
Administrative technology services	6,050	-	-	-	(6,050)
Community services	26,252	212,295	-	-	186,043
Interest on long-term debt	1,248,000	-	-	-	(1,248,000)
Other debt service	11,929	-	-	-	(11,929)
Total Governmental Activities	\$ 6,032,291	\$ 212,295	\$ 787,755	\$ 95,259	\$ (4,936,982)
GENERAL REVENUES:					
					\$ 5,091,422
Government grants not restricted to specific programs					611,977
Other revenue					161,398
Interest income					<u>5,864,797</u>
Total general revenues					
Change in Net Position					927,815
NET DEFICIT - BEGINNING					<u>(1,459,228)</u>
NET DEFICIT- ENDING					<u>\$ (531,413)</u>

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

DREAMERS ACADEMY CHARTER SCHOOL
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,989,550	\$ 49,497	\$ -	\$ -	\$ 2,039,047
Restricted cash	-	-	2,687,520	-	2,687,520
Due from other funds	-	-	-	373,893	373,893
TOTAL ASSETS	<u>\$ 1,989,550</u>	<u>\$ 49,497</u>	<u>\$ 2,687,520</u>	<u>\$ 373,893</u>	<u>\$ 5,100,460</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 18,124	\$ -	\$ -	\$ -	\$ 18,124
Accrued payroll and related expenses	290,218	-	-	-	290,218
Accrued interest	-	-	564,720	-	564,720
Due to other funds	-	-	373,893	-	373,893
TOTAL LIABILITIES	<u>308,342</u>	<u>-</u>	<u>938,613</u>	<u>-</u>	<u>1,246,955</u>
FUND BALANCE					
Restricted for:					
Debt service	-	-	1,748,907	-	1,748,907
Capital projects	-	-	-	373,893	373,893
Assigned	-	49,497	-	-	49,497
Unassigned	1,681,208	-	-	-	1,681,208
TOTAL FUND BALANCE	<u>1,681,208</u>	<u>49,497</u>	<u>1,748,907</u>	<u>373,893</u>	<u>3,853,505</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,989,550</u>	<u>\$ 49,497</u>	<u>\$ 2,687,520</u>	<u>\$ 373,893</u>	<u>\$ 5,100,460</u>

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

DREAMERS ACADEMY CHARTER SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2024

Total Fund Balance - Governmental Funds	\$ 3,853,505
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	16,102,403
Long term liabilities are not due in the current period and, accordingly, are not reported as fund liabilities.	<u>(20,487,321)</u>
Total Net Deficit - Governmental Activities	<u>\$ (531,413)</u>

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

DREAMERS ACADEMY CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES					
State passed through local school district	\$ 5,091,422	\$ -	\$ -	\$ -	\$ 5,091,422
State capital outlay funding	-	787,755	-	-	787,755
Local and other revenue	611,977	212,295	-	95,259	919,531
Interest income	-	-	161,398	-	161,398
TOTAL REVENUES	\$ 5,703,399	\$ 1,000,050	\$ 161,398	\$ 95,259	\$ 6,960,106
EXPENDITURES					
Current:					
Instruction	\$ 2,121,633	\$ 973,421	\$ -	\$ -	\$ 3,095,054
Instructional support services	3,600	-	-	-	3,600
Instructional and curriculum	592	-	-	-	592
Instructional related technology	2,276	-	-	-	2,276
Food services	24,715	-	-	-	24,715
General administration	136,508	-	-	-	136,508
School administration	526,272	-	-	-	526,272
Internal services	26,331	-	-	-	26,331
Central services	592	-	-	-	592
Board	114,310	-	-	-	114,310
Operation of plant	402,722	-	-	95,259	497,981
Maintenance of plant	16,619	-	-	-	16,619
Fiscal services	63,192	-	-	-	63,192
Pupil transportation	18,572	-	-	-	18,572
Administrative technology services	6,050	-	-	-	6,050
Community services	26,252	-	-	-	26,252
Capital outlay:					
Facilities acquisition and construction	514,125	-	-	2,697,362	3,211,487
Debt service:					
Interest	-	-	1,248,000	-	1,248,000
TOTAL EXPENDITURES	4,004,361	973,421	1,248,000	2,792,621	9,018,403
Change in fund balance before other financing sources					
	1,699,038	26,629	(1,086,602)	(2,697,362)	(2,058,297)
OTHER FINANCING SOURCES					
Transfers in (out)	(477,260)	-	535,638	(58,378)	-
Total other financing sources	(477,260)	-	535,638	(58,378)	-
NET CHANGE IN FUND BALANCE	1,221,778	26,629	(550,964)	(2,755,740)	(2,058,297)
Fund balance at beginning of year	459,430	22,868	2,299,871	3,129,633	5,911,802
Fund balance at end of year	\$ 1,681,208	\$ 49,497	\$ 1,748,907	\$ 373,893	\$ 3,853,505

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

DREAMERS ACADEMY CHARTER SCHOOL
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, 2024

Change in Fund Balance - Governmental Funds	\$ (2,058,297)
---	----------------

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 a depreciation expense. In addition, various transactions involving capital and right-of-use assets decrease or increase net position as follows:

Capital outlays	3,173,740
Depreciation expense	(175,699)

Proceeds from issuance of long-term debt are reported as an other financing source in the governmental funds. However, in the statement of net position, the amount of funds borrowed is reported as an increase in notes payable. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums discounts and debt issuance costs, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of deferred outflows	(11,929)
-----------------------------------	----------

Change in Net Position of Governmental Activities	<u>\$ 927,815</u>
---	-------------------

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

**DREAMERS ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Dreamers Academy Charter School (the “School”) is a charter school sponsored by the School Board of Sarasota County, Florida (the “District”). The School’s charter is held by Dreamers Academy, Inc., a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors which is comprised of five members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Sarasota County, Florida. The current charter is effective until June 30, 2024. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed annually by mutual agreement.

These financial statements are for the year ended June 30, 2024, when approximately 439 students were enrolled in grades Kindergarten through 4th grade.

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 per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board (“GASB”).

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 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 and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. 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, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

**DREAMERS ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund – is the School’s primary operating fund. The General Fund accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects, such as federal grant funding.

Debt Service Fund – used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Projects Fund – used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Dreamers Academy Charter School, (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 Guidelines*.

The government-wide statements report using the economic resources measurement focus and the 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. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*.” On the accrual basis, revenues from grants and donations are recognized 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 current liabilities. The School considers revenues to be available if they are collected within 90 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. 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.

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay). Any revisions to the annual budget are approved by the Board.

Cash and Cash Equivalents

The School’s cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

**DREAMERS ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$4,000 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs 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
Computer equipment and software	3-5 Years
Vehicles	5 Years
Building and improvements	30-40 Years

Compensated Absences

The School grants a specific number of days for sick/personal leave. Full-time employees are eligible for one day per month to up to ten days of active work during the ten-month period (a “benefit year”). In the event that available time is not used by the end of the benefit year, employees may “rollover” all unused days for use in future benefit years. There is an opportunity to “cash out” unused sick days; however, the employees may only cash out if they have used three days or less of their sick leave in that benefit year. Employees may not cash out more than ten days per school year and are required to always maintain a minimum of twenty-one unused days. The cash value is eighty percent of their current 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 compensated days available to be used in future benefit years.

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

Government-wide Net Position (Deficit)

Government-wide fund net position are divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The investment in capital assets (deficit) at June 30, 2024, was a deficit of \$4,384,918.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The total restricted net position for the year ending June 30, 2024 was \$2,122,800, which relates to the School’s bonds payable and capital projects.
- Unrestricted – all other net position is reported in this category.

**DREAMERS ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable – 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). At June 30, 2024, the School had \$0 in non-spendable fund balance.
- 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. At June 30, 2024, the School had \$2,122,800 in restricted fund balance, related to the School’s bonds payable and capital projects.
- 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. At June 30, 2024, there is no committed fund balance.
- 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. At June 30, 2024, the assigned fund balance of \$49,497 relates to the School’s Parent Teacher Council account for student and school activities.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

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 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.

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Sarasota County (the “School Board”) 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 School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

The School may also receive 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 expensed. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

DREAMERS ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

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

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 19, 2024, which is the date the financial statements were available to be issued.

NOTE 3 – DEPOSITS POLICY AND CREDIT RISK

It is the School's policy to maintain its cash and cash equivalents in two major banks. Deposits are insured by the Federal Depository Insurance Corporation ("FDIC") up to \$250,000 per depositor, per financial institution. As of June 30, 2024, bank balances held in financial institutions in excess of the FDIC limit totaled approximately \$4,081,000.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 is as follows:

	Balance 7/1/2023	Additions	Disposals	Balance 6/30/2024
Capital Assets				
Land	\$ 1,516,525	\$ -	\$ -	\$ 1,516,525
Construction in progress	10,901,115	2,697,362	-	13,598,477
Building	656,127	-	-	656,127
Improvements to property	17,320	284,211	-	301,531
Furniture, fixtures, and equipment	92,320	124,245	-	216,565
Vehicles	22,500	-	-	22,500
Audiovisual materials and computer software	141,278	67,922	-	209,200
Total Capital Assets	<u>\$ 13,347,185</u>	<u>\$ 3,173,740</u>	<u>\$ -</u>	<u>\$ 16,520,925</u>
Less Accumulated Depreciation				
Building	\$ (108,633)	\$ (72,421)	\$ -	\$ (181,054)
Improvements to property	(3,254)	(5,832)	-	(9,086)
Furniture, fixtures, and equipment	(36,085)	(37,850)	-	(73,935)
Vehicles	(8,100)	(4,500)	-	(12,600)
Audiovisual materials and computer software	(86,751)	(55,096)	-	(141,847)
Total Accumulated Depreciation	<u>\$ (242,823)</u>	<u>\$ (175,699)</u>	<u>\$ -</u>	<u>\$ (418,522)</u>
Capital Assets, Net	<u>\$ 13,104,362</u>	<u>\$ 2,998,041</u>	<u>\$ -</u>	<u>\$ 16,102,403</u>

**DREAMERS ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 4 – CAPITAL ASSETS (Continued)

For the year ended June 30, 2024, depreciation expense totaled \$175,699, of which \$98,778 was allocated to school administration, \$72,421 was allocated to operation of plant, and \$4,500 was allocated to transportation.

NOTE 5 – REVENUE BONDS

Educational Facilities Revenue Bonds, Series 2022A and 2022B

The Florida Development Finance Corporation (the "issuer") issued Educational Facilities Revenue Bond, Series 2022A, in aggregate principal amount \$20,275,000 (the "Series 2022A Bonds") and Dreamers Academy, Inc. issued Taxable Educational Facilities Revenue Bond Series 2022B, in the aggregate principal amount of \$600,000 (the "Series 2022B Bonds").

The bonds were issued for the purposes of financing or refinancing (including through reimbursement): (i) all or a portion of the costs of acquiring an approximately 5.4 acre parcel located at 2146 Myrtle Street, Sarasota, Florida and acquiring, constructing and equipping an approximately 43,101 square foot building on such site containing an estimated 37 traditional classrooms, multipurpose space, administrative offices, outdoor multi-use space, outdoor play fields and other related areas, together with all related improvements, and which acquisition may include related equipment (collectively the "Project"); (ii) funding a debt service reserve fund; (iii) funding capitalized interest on the Series 2022 Bonds; and (iv) paying the costs of issuance of the Series 2022 Bonds. The Series 2022A and 2022B Bonds are subject to redemption prior to their stated maturity in part, randomly, from Mandatory Sinking Account Payments.

Interest is payable annually beginning April 15, 2022. The bonds are secured by mortgage interest on the projects to the benefit of UMB Bank, N.A. (the "Trustee") and assignment of payments (the "Pledge Revenue") to the Trustee pursuant to the Indenture of Trust dated January 1, 2022. These bonds are subject to interest rates ranging from 4.00% to 6.00%.

Bonds payable, gross, at June 30, 2024 totaled \$20,875,000 as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
Florida Development Finance Corporation Educational Facilities Revenue Bonds (Dreamers Academy Project)			
Series 2020A	\$ 20,275,000	6.00	2057
Florida Development Finance Corporation Educational Facilities Revenue Bonds (Dreamers Academy Project)			
Series 2020B	<u>600,000</u>	5.25	2028
Total bonds payable, gross	<u>\$ 20,875,000</u>		

DREAMERS ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 – REVENUE BONDS (Continued)

The bonds were issued at a discount which was deferred and is being amortized over the life of the bonds using the effective interest method. The bonds payable are presented net of the applicable discount. Amortization of bond discount during the year amounted to \$11,929. The net bond discount at June 30, 2024 was \$387,679.

The following schedule provides a summary of changes for the year ended June 30, 2024:

	Balance 7/1/2023	Increases	Decreases	Balance at 6/30/2024
Bonds payable	\$ 20,875,000	\$ -	\$ -	\$ 20,875,000
Bond discount	(399,608)	-	11,929	(387,679)
Bonds payable, net	<u>\$ 20,475,392</u>	<u>\$ -</u>	<u>\$ 11,929</u>	<u>\$ 20,487,321</u>

Annual requirements to amortize all bonded debt outstanding as of June 30, 2024 are as follows:

Fiscal Year Ending June 30,	Total	Principal	Interest
2025	\$ 1,248,000	\$ -	\$ 1,248,000
2026	1,483,000	235,000	1,248,000
2027	1,485,663	250,000	1,235,663
2028	1,482,538	260,000	1,222,538
2029 - 2033	7,404,699	1,540,000	5,864,699
2034 - 2038	7,403,900	2,060,000	5,343,900
2039 - 2043	7,411,700	2,765,000	4,646,700
2044 - 2048	7,402,200	3,690,000	3,712,200
2049 - 2053	7,404,200	4,940,000	2,464,200
2054 - 2057	5,885,450	5,135,000	750,450
	<u>\$ 48,611,350</u>	<u>\$ 20,875,000</u>	<u>\$ 27,736,350</u>

DREAMERS ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 5 – REVENUE BONDS (Continued)

Covenants

The bonds require that the School be in compliance with certain debt covenants, including a 45 day cash on hand requirement beginning with fiscal year and June 30, 2024 and a debt service coverage ratio of at least 1.10:1.00 beginning with fiscal year end June 30, 2024. At June 30, 2024 the School's debt covenants calculations are as follows:

Cash on Hand	
Cash on hand general fund	\$ 1,989,550
Total expenditures ALL governmental funds year ending June 30, 2024	\$ 9,018,403
Less non operating expenditures:	
Less capital outlay - facilities acquisition and constructions	(3,211,487)
Total operating expenditures	\$ 5,806,916
Days Cash on Hand at June 30, 2024	125
Debt Service Coverage Ratio	
Excess of expenditures over revenues	\$ (2,058,297)
Plus interest	1,248,000
Minus interest income*	(161,398)
Plus capital outlay - facilities acquisition and constructions	3,211,487
	\$ 2,239,792
Excess of revenues over expenditures	
Debt service costs for year ending June 30, 2024	
Interest	\$ 1,248,000
Principal retirement	-
Total debt service costs for year ending June 30, 2024	\$ 1,248,000
Debt service ratio (excess of revenues over expenditures divided by total debt service costs for year ending June 30, 2024)	1.79

*Interest during the year ended June 30, 2024 was funded through the interest reserve account established through the bonds payable and excluded from the ratio calculation in accordance with the bond documents.

Restricted Assets

Restricted assets include money market accounts that are related to amounts that the School is required to segregate in connection with the issuance of bonds, including capitalized interest fund and reserve requirements. The Trust Indenture requires the establishment of Funds for the bonds and accounts within such funds, all of which shall be special trust funds and accounts held by the Trustee. At June 30, 2024, the composition of restricted balances is as follows:

**DREAMERS ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 5 – REVENUE BONDS (Continued)

Restricted Assets

Bond Interest Account	\$ 868,507
Capital Project Account	373,893
Debt Service Reserve	1,445,120
	<u>\$ 2,687,520</u>

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Professional Services

Building Hope Services, LLC., a professional charter school management company, provides accounting and human resources management services to the School including, but not limited to, regulatory compliance, maintenance of the books and records, bookkeeping, budgeting and financial reporting. The agreement between the School and the management company calls for a fee of \$100 per full time equivalent (FTE) student per year plus a fee of \$350 per employee per year. The agreement can be terminated at any time by the board with 30 day notice. During the year ended June 30, 2024, the School incurred approximately \$63,000 in management fees. Building Hope Services, LLC. is located at 1225 SE 2nd Avenue, Fort Lauderdale, Florida, 33316.

Contingencies and Concentrations

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

NOTE 7 – INTER-FUND BALANCES

Inter-fund transfers in government funds as of June 30, 2024 consist of the following:

	Debt Service Fund	Capital Projects Fund	General Fund
Transfer from debt service fund to capital projects and general fund	\$ 535,638	\$ (58,378)	\$ (477,260)
Total transfers, net	<u>\$ 535,638</u>	<u>\$ (58,378)</u>	<u>\$ (477,260)</u>

Due from (due to) balances in government funds are as follows:

	Debt Service Fund	Capital Projects Fund
Due to Capital Projects Fund from Debt Service Fund	\$ (373,893)	\$ 373,893
Total Due (to) From	<u>\$ (373,893)</u>	<u>\$ 373,893</u>

REQUIRED SUPPLEMENTAL INFORMATION

DREAMERS ACADEMY CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET
AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local school district	\$ 4,637,975	\$ 5,091,422	\$ 5,091,422
Local and other revenue	388,000	611,977	611,977
TOTAL REVENUES	\$ 5,025,975	\$ 5,703,399	\$ 5,703,399
EXPENDITURES			
Instruction	\$ 2,572,104	\$ 2,121,633	\$ 2,121,633
Instructional support services	61,376	3,600	3,600
Instructional and curriculum	-	592	592
Instructional related technology	-	2,276	2,276
General administration	131,761	136,508	136,508
School administration	439,992	526,272	526,272
Internal services	-	26,331	26,331
Central services	2,500	592	592
Food services	-	24,715	24,715
Board	75,000	114,310	114,310
Operation of plant	383,442	402,722	402,722
Maintenance of plant	16,200	16,619	16,619
Fiscal services	59,600	63,192	63,192
Pupil transportation	12,662	18,572	18,572
Administrative technology services	2,500	6,050	6,050
Community services	-	26,252	26,252
Capital outlay- Facilities and acquisition	-	514,125	514,125
Debt service	1,126,292	-	-
TOTAL EXPENDITURES	\$ 4,883,429	\$ 4,004,361	\$ 4,004,361
Change in fund balance before other financing sources	\$ 142,546	\$ 1,699,038	\$ 1,699,038
OTHER FINANCING SOURCES			
Transfers out	-	-	(477,260)
NET CHANGE IN FUND BALANCE	\$ 142,546	\$ 1,699,038	\$ 1,221,778

See accompanying note to the required supplemental information.

DREAMERS ACADEMY CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET
AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State capital outlay funding	\$ 220,000	\$ 787,755	\$ 787,755
Local and other revenue	-	212,295	212,295
Federal passed through state	353,905	-	-
TOTAL REVENUES	<u>\$ 573,905</u>	<u>\$ 1,000,050</u>	<u>\$ 1,000,050</u>
EXPENDITURES			
Instruction	\$ 288,905	\$ 973,421	\$ 973,421
Food services	65,000	-	-
Debt Service	220,000	-	-
TOTAL EXPENDITURES	<u>\$ 573,905</u>	<u>\$ 973,421</u>	<u>\$ 973,421</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 26,629</u>	<u>\$ 26,629</u>

See accompanying note to the required supplemental information.

DREAMERS ACADEMY CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET
AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Debt Service Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Interest income	\$ -	\$ 161,398	\$ 161,398
TOTAL REVENUES	<u>\$ -</u>	<u>\$ 161,398</u>	<u>\$ 161,398</u>
EXPENDITURES			
Debt service	\$ -	\$ 1,248,000	\$ 1,248,000
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 1,248,000</u>	<u>\$ 1,248,000</u>
Change in fund balance before other financing sources	\$ -	\$ (1,086,602)	\$ (1,086,602)
OTHER FINANCING SOURCES			
Transfers out	<u>-</u>	<u>535,638</u>	<u>535,638</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (550,964)</u>	<u>\$ (550,964)</u>

See accompanying note to the required supplemental information.

DREAMERS ACADEMY CHARTER SCHOOL
NOTE TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2024, has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general, special revenue and debt service funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).



Verdeja • Alvarez

Certified Public Accountants & Advisors



Octavio F. Verdeja, Founder - 1971

Manny Alvarez, C.F.F., C.P.A.
Lisset I. Cascudo, C.P.A.
Michelle del Sol, C.F.E., C.P.A.
Cristy C. Rubio, C.P.A.
Javier Verdeja, C.P.A.
Octavio A. Verdeja, C.P.A.
Octavio "Tab" Verdeja, C.F.F., C.P.A.

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

**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
Dreamers Academy Charter School
Sarasota, 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 and aggregate remaining fund information of Dreamers Academy Charter School (the "School"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 19, 2024.

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 (internal control) 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*.

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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 19, 2024



Verdeja • Alvarez

Certified Public Accountants & Advisors



Octavio F. Verdeja, Founder - 1971

Manny Alvarez, C.F.F., C.P.A.
Lisset I. Cascudo, C.P.A.
Michelle del Sol, C.F.E., C.P.A.
Cristy C. Rubio, C.P.A.
Javier Verdeja, C.P.A.
Octavio A. Verdeja, C.P.A.
Octavio "Tab" Verdeja, C.F.F., C.P.A.

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

MANAGEMENT LETTER

Board of Directors of
Dreamers Academy Charter School
Sarasota, Florida

Report on the Financial Statements

We have audited the financial statements of Dreamers Academy Charter School (the "School"), as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 19, 2024.

Auditor's Responsibility

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; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's 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 that report, which is dated September 19, 2024, 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 or 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 and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education of the school is Dreamers Academy Charter School and #580120.

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 the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School 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 the School. It is management's responsibility to monitor the School'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. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2024 is not deteriorating.

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

Transparency

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

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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 the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the School Board of Sarasota County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Verdefin - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 19, 2024