



**THE DORAL ACADEMY**  
**W/L #: 3030**  
(A Charter School under The Doral Academy, Inc.)

Doral, Florida

Financial Statements and  
Independent Auditor's Report

June 30, 2019

## TABLE OF CONTENTS

General Information . . . . .	1
Independent Auditor’s Report. . . . .	2-3
Management’s Discussion and Analysis (Required Supplementary Information) . . . . .	4-9
<b>Basic Financial Statements:</b>	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position . . . . .	10
Statement of Activities. . . . .	11
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds. . . . .	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position. . . . .	13
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds. . . . .	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities. . . . .	15
Statement of Net Position – Fiduciary Funds. . . . .	16
<i>Notes to the Basic Financial Statements . . . . .</i>	17-28
<b>Required Supplementary Information:</b>	
Budgetary comparison schedule. . . . .	29-30
<b>Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> . . . . .</b>	31-32
<b>Management Letter . . . . .</b>	33-36

THE DORAL ACADEMY  
(A charter school under The Doral Academy, Inc.)

W/L #: 3030

2450 NW 97<sup>th</sup> Avenue  
Doral, FL 33172

2018-2019

BOARD OF DIRECTORS

Angela Ramos, President, Chair and Director  
Rene Rovirosa, Secretary, Treasurer, and Director  
Kim Guilarte, Director  
Ana Guimaraes, Director and Student Alumni Representative  
Fabiana Campos, Director and Parent Representative

SCHOOL ADMINISTRATION

Eleonora Cuesta, Principal



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of The Doral Academy (the "School"), a charter school under The Doral Academy, Inc., as of, and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

396 Alhambra Circle, Suite 900, Coral Gables, FL 33134 • Tel: 305.446.3022 • Fax: 305.446.6319  
[www.hlbgravier.com](http://www.hlbgravier.com)

HLB Gravier, LLP is a member of  International. A world-wide organization of accounting firms and business advisers.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of The Doral Academy as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

As described in Note 1, the accompanying financial statements referred to above present only the financial position of The Doral Academy as of June 30, 2019, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of The Doral Academy, Inc. These financial statements do not purport to and do not present fairly the financial position of The Doral Academy, Inc. as of June 30, 2019 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 29 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2019, 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 10, 2019

**Management's Discussion and Analysis**  
The Doral Academy  
(A Charter School Under Doral Academy, Inc.)  
June 30, 2019

The corporate officers of The Doral Academy Charter School have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2019.

**Financial Highlights**

1. The net position of the Charter School at June 30, 2019 was \$9,445,518.
2. At year-end, the School had current assets on hand of \$7,224,350.
3. The net position of the School increased by \$348,348 during the year.
4. The unassigned fund balance at year end was \$6,081,391.

**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, 2019 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements

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

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

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

The basic governmental fund financial statements can be found on pages 12 - 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 – 28 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$9,445,518 at the close of the fiscal year. A summary of the School's net position as of June 30, 2019 and 2018 follows:

	2019	2018
Cash and cash equivalents	\$ 653,549	\$ 768,476
Investments	6,215,000	5,890,000
Prepaid expenses	77,586	148,618
Due from other agencies	99,363	15,264
Due from other divisions of The Doral Academy, Inc.	178,852	16,258
Deposits receivable	42,254	42,254
Capital assets, net	2,682,594	2,644,732
<b>Total Assets</b>	<b>9,949,198</b>	<b>9,525,602</b>
<b>Deferred outflows of resources</b>	-	-
Accounts payable and accrued liabilities	503,680	428,432
<b>Total Liabilities</b>	<b>503,680</b>	<b>428,432</b>
<b>Deferred inflows of resources</b>	-	-
<b>Net Position:</b>		
Net investment in capital assets	2,682,594	2,644,732
Unrestricted	6,762,924	6,452,438
<b>Total Net Position</b>	<b>\$ 9,445,518</b>	<b>\$ 9,097,170</b>

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

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2019 and June 30, 2018 follows:

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Program Revenues		
Federal sources	\$ 71,267	\$ 8,003
Capital grants and contributions	616,024	626,296
Lunch program	363,762	425,977
Charges for services	1,110,677	908,127
General Revenues		
Local sources (FTE and other non specific)	7,603,983	7,706,645
Other revenue	128,314	85,705
<b>Total Revenues</b>	<u>\$ 9,894,027</u>	<u>\$ 9,760,753</u>
<b>EXPENSES</b>		
Instruction	\$ 5,291,994	\$ 5,396,568
Student support services	106,743	92,608
Instructional staff training	6,816	14,104
Board	70,433	54,867
School administration	743,734	759,130
Facilities acquisition	76,780	107,727
Fiscal services	154,650	161,475
Food services	395,916	383,905
Central services	201,767	206,871
Operation of plant	1,982,738	2,007,070
Maintenance of plant	356,309	385,676
Administrative technology services	47,927	46,955
Community services	109,872	-
<b>Total Expenses</b>	<u>9,545,679</u>	<u>9,616,956</u>
Increase in Net Position	348,348	143,797
Net Position at Beginning of Year	<u>9,097,170</u>	<u>8,953,373</u>
Net Position at End of Year	<u>\$ 9,445,518</u>	<u>\$ 9,097,170</u>

Doral Academy's revenue increased by \$133,274 and expenses decreased by \$71,277. The School had an increase in its net position of \$348,348 for the year.

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

The School leases a facility located at 2540 NW 97<sup>th</sup> Avenue, Doral, Florida 33172.

### **Capital Improvement Requirements**

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



## **Accomplishments**

In 2019, Doral Academy successfully completed its 19th year of operation, serving over 1,032 students in grades K-5. The school earned a letter grade of “A” for the sixteenth consecutive year, ranking among the top elementary schools in Miami-Dade County. Doral Academy students participated in various community service projects benefiting charities such as St. Jude Children’s Research Hospital, Live like Bella Foundation, and Autism Speaks; as well as school-based fundraisers (Scholastic Book Fair, World’s Finest Chocolates and Great American).

DAC Chorus performed the National Anthem at a Miami Marlins baseball game Cheerleading Team took 1st Place at the FCDA Beach Battle DAC Elementary Chorus represented MDCPS during the DCMEA Honors Showcase at FIU School of Music DAC participated in the FEMEA All State Elementary Chorus Doral students also participated in various clubs and team sports, including Spanish Club, Art Club, Newspaper Club, Environmental Club, National Elementary Honor Society, Safety Patrol Club, and Junior Chorus/Varsity Chorus. Students also participated in schoolbased events such as Career Day and Hispanic Heritage Celebration, Gallery Night, Field day and FSA Pep-Rally as well as musical productions, including the Annual Holiday Show and the End of the Year Musical.

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

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

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

### **Governmental Funds**

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

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

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$6,706,698. The fund balance unassigned and available for spending at the School's discretion is \$6,081,391. These funds will be available for the School's future ongoing operations.

### **Capital Assets**

The School's investment in capital assets as of June 30, 2019 amounts to \$2,682,594 (net of accumulated depreciation). This investment in capital assets includes improvements, textbooks and materials, and furniture, fixtures and equipment. As of June 30, 2019, the School had no long-term debt associated to its capital assets.

## Governmental Fund Budget Analysis and Highlights

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

	Governmental Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Program Revenues			
State capital outlay funding	\$ 612,000	\$ 616,610	\$ 616,024
Federal sources	70,500	71,500	71,267
Lunch program	360,031	365,987	363,762
General Revenues			
FTE and other nonspecific revenues	7,569,300	7,602,533	7,603,983
Charges for services	1,157,200	1,110,585	1,110,677
Investment earnings and other revenues	119,062	127,681	128,314
Total Revenues	<u>\$ 9,888,093</u>	<u>\$ 9,894,896</u>	<u>\$ 9,894,027</u>
<b>CURRENT EXPENDITURES</b>			
Instruction	\$ 4,931,853	\$ 5,078,632	\$ 5,076,886
Student support services	54,132	108,132	106,743
Instructional staff training	10,000	7,000	6,816
Board	60,850	72,740	70,433
School administration	782,716	741,944	740,578
Fiscal services	153,750	154,650	154,650
Food services	395,560	395,000	394,969
Central services	184,750	202,661	201,767
Operation of plant	2,267,863	1,827,306	1,824,946
Maintenance of plant	339,000	358,000	356,309
Administrative technology services	53,774	48,600	47,927
Community services	77,705	110,000	109,872
Total Current Expenditures	<u>\$ 9,311,953</u>	<u>\$ 9,104,665</u>	<u>\$ 9,091,896</u>

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

### Requests for Information

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

THE DORAL ACADEMY  
(A charter school under The Doral Academy, Inc.)

Statement of Net Position  
June 30, 2019

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and cash equivalents	\$ 653,549
Investments	6,215,000
Prepaid expenses	77,586
Due from other divisions of The Doral Academy, Inc.	178,852
Due from other agencies	99,363
Total current assets	<u>7,224,350</u>
Capital assets, depreciable	8,436,437
Less: accumulated depreciation	<u>(5,753,843)</u>
	2,682,594
Deposits	<u>42,254</u>
Total Assets	<u>9,949,198</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>
<u>Liabilities</u>	
Current liabilities:	
Salaries and wages payable	446,010
Accounts payable and accrued expenses	<u>57,670</u>
Total Liabilities	503,680
<u>Deferred Inflows of Resources</u>	<u>-</u>
<b>Net Position:</b>	
Net investment in capital assets	2,682,594
Unrestricted	<u>6,762,924</u>
Total Net Position	<u>\$ 9,445,518</u>

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

THE DORAL ACADEMY  
(A charter school under The Doral Academy, Inc.)

Statement of Activities  
For the year ended June 30, 2019

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 5,291,994	\$ 1,025,190	\$ 35,669	\$ -	\$ (4,231,135)
Student support services	106,743	-	-	-	(106,743)
Instructional staff training	6,816	-	-	-	(6,816)
Board	70,433	-	-	-	(70,433)
School administration	743,734	-	-	-	(743,734)
Facilities acquisition	76,780	-	-	-	(76,780)
Fiscal services	154,650	-	-	-	(154,650)
Food services	395,916	164,805	198,957	-	(32,154)
Central services	201,767	-	-	-	(201,767)
Operation of plant	1,982,738	85,487	-	616,024	(1,281,227)
Maintenance of plant	356,309	-	35,598	-	(320,711)
Administrative technology services	47,927	-	-	-	(47,927)
Community services	109,872	-	-	-	(109,872)
<b>Total governmental activities</b>	<b>9,545,679</b>	<b>1,275,482</b>	<b>270,224</b>	<b>616,024</b>	<b>(7,383,949)</b>
General revenues:					
FTE and other nonspecific revenues					7,603,983
Investment earnings					122,645
Other revenues					5,669
Change in net position					348,348
Net position, beginning					9,097,170
Net position, ending					\$ 9,445,518

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

THE DORAL ACADEMY  
(A charter school under The Doral Academy, Inc.)

Balance Sheet - Governmental Funds  
June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund (Non-Major)	Total Governmental Funds
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 639,577	\$ 13,972	\$ -	\$ 653,549
Investments	6,215,000	-	-	6,215,000
Prepaid expenses	77,586	-	-	77,586
Due from other divisions of The Doral Academy,	178,852	-	-	178,852
Due from other agencies	-	61,719	37,644	99,363
Due from fund	99,363	-	-	99,363
Total Assets	<u>7,210,378</u>	<u>75,691</u>	<u>37,644</u>	<u>7,323,713</u>
<b>Deferred Outflows of Resources</b>				
	-	-	-	-
<b><u>Liabilities</u></b>				
Salaries and wages payable	446,010	-	-	446,010
Accounts payable and accrued expenses	57,670	-	-	57,670
Due to fund	-	61,719	37,644	99,363
Total Liabilities	<u>503,680</u>	<u>61,719</u>	<u>37,644</u>	<u>603,043</u>
<b>Deferred Inflows of Resources</b>				
	-	-	-	-
<b><u>Fund Balance</u></b>				
Nonspendable, not in spendable form	256,438	-	-	256,438
Assigned	368,869	13,972	-	382,841
Unassigned	6,081,391	-	-	6,081,391
	<u>6,706,698</u>	<u>13,972</u>	<u>-</u>	<u>6,720,670</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 7,210,378</u>	<u>\$ 75,691</u>	<u>\$ 37,644</u>	<u>\$ 7,323,713</u>

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

THE DORAL ACADEMY  
(A charter school under The Doral Academy, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2019

---

Total Fund Balance - Governmental Funds \$ 6,720,670

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

Depreciable and non-depreciable capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the fund.

Capital assets, depreciable	8,436,437	
Less: accumulated depreciation	<u>(5,753,843)</u>	2,682,594

Deposits receivable are considered long term and are not financial resources and therefore are not reported in the governmental funds.

	<u>42,254</u>
--	---------------

Total Net Position - Governmental Activities \$ 9,445,518

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

THE DORAL ACADEMY

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

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

For the year ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund (Non-Major)	Total Governmental Funds
<b>Revenues:</b>				
State passed through local	\$ 7,603,983	\$ -	\$ -	\$ 7,603,983
State capital outlay funding	-	-	616,024	616,024
Federal school lunch program	-	198,957	-	198,957
Lunch fees	-	164,805	-	164,805
Federal sources	-	71,267	-	71,267
Charges for services	1,110,677	-	-	1,110,677
Investment earnings and other revenues	128,314	-	-	128,314
<b>Total Revenues</b>	<b>8,842,974</b>	<b>435,029</b>	<b>616,024</b>	<b>9,894,027</b>
<b>Expenditures:</b>				
<b>Current</b>				
Instruction	5,043,891	32,995	-	5,076,886
Student support services	106,743	-	-	106,743
Instructional staff training	6,816	-	-	6,816
Board	70,433	-	-	70,433
School administration	740,578	-	-	740,578
Food services	-	394,969	-	394,969
Fiscal services	154,650	-	-	154,650
Central services	201,767	-	-	201,767
Operation of plant	1,208,922	-	616,024	1,824,946
Maintenance of plant	356,309	-	-	356,309
Administrative technology services	47,927	-	-	47,927
Community Services	109,872	-	-	109,872
<b>Capital Outlay:</b>				
Other capital outlay	491,645	-	-	491,645
<b>Total Expenditures</b>	<b>8,539,553</b>	<b>427,964</b>	<b>616,024</b>	<b>9,583,541</b>
Excess (deficit) of revenues over expenditures	303,421	7,065	-	310,486
<b>Other financing sources (uses)</b>				
Transfers in (out)	38,272	(38,272)	-	-
Net change in fund balance	341,693	(31,207)	-	310,486
Fund Balance at beginning of year	6,365,005	45,179	-	6,410,184
Fund Balance at end of year	\$ 6,706,698	\$ 13,972	\$ -	\$ 6,720,670

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



THE DORAL ACADEMY  
(A charter school under The Doral Academy, Inc.)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the year ended June 30, 2019

---

Net Change in Fund Balance - Governmental Funds \$ 310,486

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 exceeded from depreciation expense.

Capital Outlay	491,645	
Depreciation Expense	<u>(453,783)</u>	37,862

Change in Net Position of Governmental Activities \$ 348,348

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

THE DORAL ACADEMY  
(A charter school under The Doral Academy, Inc.)

Statement of Net Position - Fiduciary Funds  
June 30, 2019

---

	<u>Agency Funds</u>
<b><u>Assets</u></b>	
Cash	\$ 88,749
Total Assets	<u>88,749</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>-</u>
<b><u>Liabilities</u></b>	
Due to students and clubs	88,749
Total Liabilities	<u>88,749</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>-</u>
<b><u>Net position</u></b>	<u>\$ -</u>

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

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

Reporting Entity

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

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Miami-Dade County, Florida. The current charter expires on June 30, 2034 and it can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Doral, Florida for students from kindergarten through fifth grade. These financial statements are for the year ended June 30, 2019, when on average 1,031 students were enrolled for the school year.

Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Government-wide and Fund Financial Statements

*Government-wide Financial Statements*

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

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

Program revenues include: (1) charges for services, such as food service and student activity fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants and contributions specific to capital outlay. Other revenue sources not included with program revenues are reported as general revenues.

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

*Fund Financial Statements*

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

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

*Special Revenue Fund* - accounts for specific revenue, such as federal funding that is legally restricted to expenditures for particular purposes.

Additionally, the School reports the following fiduciary fund types:

*Agency Fund* – accounts for resources of the School's Internal Fund, which is used to administer monies collected at the schools in connection with school, student athletics, class, and club activities.

Measurement Focus and Basis of Accounting

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

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available.

Non-exchange transactions occur when the School provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable.

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

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.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

Budgets and Budgetary Accounting

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

Cash, Cash Equivalents and Investments

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

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

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$500 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

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

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

Improvements	9 - 20 Years
Furniture, Equipment, and Computers	5 Years
Textbooks and Software	3 Years

Inter-fund Transfers

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

Due from Other Governments or Agencies

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

Compensated Absences

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

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

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

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.

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

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

Revenue Sources

Revenues for current operations are received primarily from State through the the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

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

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

Net Position and Fund Balance Classification

*Government-wide financial statements*

Equity is classified as net position and displayed in three 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.

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

- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

*Fund financial statements*

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

- a) Nonspendable - includes amounts that cannot be spent because they are either not spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). All nonspendable fund balances at year end relate to not in spendable form assets.
- 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. There are no restricted fund balances at year end.
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification that is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. As of June 30, 2019 there was \$368,869 in cash assigned to the pre-kindergarten program. In addition, there was \$13,972 in cash assigned to the lunch program.
- e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Order of Fund Balance Spending Policy

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



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

Income Taxes

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

Use of Estimates

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

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 10, 2019, which is the date the financial statements were available to be issued.

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

Deposits

The School maintains its cash and cash equivalents in two financial institutions. As of June 30, 2019, the School's deposits consisted of cash balances of \$654,069.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Doral Academy, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Doral Academy, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2019, bank balances in potential excess of FDIC coverage was approximately \$762,000; including fiduciary account bank balances.

**Note 2 – Cash, Cash Equivalents and Investments (continued)**

Investments

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

At June 30, 2019, the School has the following recurring fair value measurements:

- Government money market mutual fund of \$6,440,000 valued using Level 2 inputs.

The government money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of July 31, 2019, maturities of the fund's portfolio holdings are approximately 81% within 30 days.

Credit Risk

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

*Custodial credit risk* is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2019, all of the School's investments in government money market mutual funds were held in a separate account and designated as assets of the School.

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

THE DORAL ACADEMY  
(A Charter School under The Doral Academy, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019

---

**Note 3 – Capital Assets**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2019:

	Balance 07/01/18	Additions	Deletions / Reclassification	Balance 06/30/19
Construction in progress, non-depreciable	\$ 285,443	\$ -	\$ (285,443)	\$ -
Capital Assets, depreciable:				
Buildings and improvements	\$ 4,726,043	\$ 133,170	\$ 285,443	\$ 5,144,656
Furniture, equipment and textbooks	2,789,002	358,475	48,988	3,196,465
Computer software	139,454	-	(48,988)	90,466
Motor vehicles	4,850	-	-	4,850
Total Capital Assets	<u>\$ 7,944,792</u>	<u>\$ 491,645</u>	<u>\$ -</u>	<u>\$ 8,436,437</u>
Less Accumulated Depreciation:				
Buildings and improvements	(2,871,922)	(192,148)	(10,511)	(3,074,581)
Computer equipment and software	(120,299)	(4,984)	41,648	(83,635)
Furniture, equipment and textbooks	(2,306,384)	(256,651)	(31,137)	(2,594,172)
Motor vehicles	(1,455)	-	-	(1,455)
Total Accum. Deprec.	<u>\$ (5,300,060)</u>	<u>\$ (453,783)</u>	<u>\$ -</u>	<u>\$ (5,753,843)</u>
Capital Assets, net	<u>\$ 2,644,732</u>	<u>\$ 37,862</u>	<u>\$ -</u>	<u>\$ 2,682,594</u>

For the fiscal year ended June 30, 2019, depreciation expense is allocated in the Statement of Activities by function as follows:

Facilities acquisition	\$ 76,780
Instruction	215,108
Operation of plant	157,792
Food services	947
School administration	3,156
Total Depreciation Expense	<u>\$ 453,783</u>

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

Academica Dade, LLC (“Academica”), an educational service and support provider, offers administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting and virtual services. The agreement between the School and the education service provider calls for a per student fee.

The agreement is with Doral Academy, Inc. for a period of five years, through June 30, 2021, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2019, the School incurred \$463,950 in fees related to this agreement. In addition, the School’s pre-kindergarten program incurred \$61,425 in fees.

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

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

During 2019, the School shared its campus with Just Arts and Management Charter Middle School (“JAM”, a charter school under The Doral Academy, Inc.). Management allocates a proportionate share of leases, salaries, lunch receipts, food and supplies, and other expenses to each school individually based on student enrollment. In addition, the School holds the student activities fund of JAM. As of June 30, 2019, the School has approximately \$179,000 due from JAM for the allocation of rent expense and usage fee for facilities.

The School’s lunch program is shared with various schools under The Doral Academy, Inc. Revenues and expenses related to such program have been allocated based on FTE equivalent for purposes of presentation in the financial statements. The School received Federal lunch funds for itself and JAM. The lunch funds are received by the School and transferred to JAM.

The Doral Academy, Inc. charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. The Doral Academy paid The Doral Academy, Inc. \$154,650 in connection with these charges during the year.

The School operates a pre-kindergarten program through Leap Services, LLC. The pre-kindergarten program revenues and expenses are recorded in the statement of activities as instructional charges for services and instructional expenses, respectively. The fund financial statement balance sheet presents the cash available for pre-kindergarten expenditures as assigned. In addition, the School entered into a Non-Exclusive Usage Agreement with Leap Services, LLC whereby the after-care program pays the School a monthly usage fee of \$1,500 and the summer camp program pays \$16,000. In addition, the pre-kindergarten program reimbursed the School \$38,000 in usage fees and shared personnel during the School year.

THE DORAL ACADEMY  
(A Charter School under The Doral Academy, Inc.)  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019

---

**Note 6 – Interfund Transfers**

Interfund transfers in governmental funds as of June 30, 2019, consist of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund
To fund lunch deficit	\$ (31,207)	\$ 31,207	\$ -
Reimbursement from Restart Grant for prior period expenditures	35,598	(35,598)	-
Reimbursement from Temp. Impact Aid Grant for prior period	2,674	(2,674)	-
Total Transfers, net	<u>\$ 7,065</u>	<u>\$ (7,065)</u>	<u>\$ -</u>

	General Fund	Special Revenue Fund	Capital Projects Fund
Due to General Fund from Capital Projects Fund for capital outlay	\$ 37,644	\$ -	\$(37,644)
Due to General Fund from Special Revenue Fund for Title IV	26,121	(26,121)	-
Due to General Fund from Special Revenue Fund for Restart Grant	35,598	(35,598)	-
Total Due from/(Due to)	<u>\$ 99,363</u>	<u>\$ (61,719)</u>	<u>\$ (37,644)</u>

**Note 7 – Commitments, Contingencies and Concentrations**

The School entered into a lease agreement with Carlos Albizu University for its 44,585 square feet building including all ancillary facilities, outdoor areas and other improvements. The lease was subsequently amended on April 1, 2012 and September 1, 2012 for an additional 15,000 and 13,500 square feet, respectively, to continue through the term of the lease. The rent for the additional space will be calculated at \$20.00 per square foot.

The lease continues through July 31, 2020, as extended, with an option for three additional five-year terms. The annual minimum rent during the current option term is \$1,605,000. In the event that the term of the lease is extended for the second option term (from August 1, 2020 through July 31, 2025) the annual minimum rent will be \$1,653,150.

Lease payments are allocated among School and Just Arts Management based on enrollment and usage of facility. The allocation used for 2019, was approximately 18% for JAM and 82% for the School.

For 2019, rent expense related to the facility totaled \$1,312,256.

Future minimum payments under this lease (to be shared with JAM) are as follows:

Year	
2019 - 2020	\$ 1,605,000

**Note 7 – Commitments, Contingencies and Concentrations (continued)**

Contingencies and Concentrations

The School receives substantially all of its funding from the State through 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 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 the School.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% of the qualifying revenues of the School. For the year ended June 30, 2019, administrative fees withheld by the School District totaled \$36,473.

**Note 8 – Risk Management**

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

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

**Note 9 – Defined Contribution Retirement Plan**

The School’s personnel, which are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the “Plan”), the School matches 100% of the employee’s contribution up to 4% of the employee’s compensation. The School contributed to the Plan \$93,350 for the year ended June 30, 2019. The School does not exercise any control or fiduciary responsibility over the Plans’ assets, which are administered by Voya.

REQUIRED SUPPLEMENTARY INFORMATION

THE DORAL ACADEMY  
(A charter school under The Doral Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2019

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 7,569,300	\$ 7,602,533	\$ 7,603,983
Charges for services	1,157,200	1,110,585	1,110,677
Other revenue	119,062	127,681	128,314
Total Revenues	<u>8,845,562</u>	<u>8,840,799</u>	<u>8,842,974</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	4,898,853	5,045,632	5,043,891
Student support services	54,132	108,132	106,743
Instructional staff training	10,000	7,000	6,816
Board	60,850	72,740	70,433
School administration	782,716	741,944	740,578
Fiscal services	153,750	154,650	154,650
Central services	184,750	202,661	201,767
Operation of plant	1,655,863	1,210,696	1,208,922
Maintenance of plant	339,000	358,000	356,309
Administrative technology services	53,774	48,600	47,927
Community Services	77,705	110,000	109,872
Total Current Expenditures	<u>8,271,393</u>	<u>8,060,055</u>	<u>8,047,908</u>
Excess of Revenues			
Over Current Expenditures	<u>574,169</u>	<u>780,744</u>	<u>795,066</u>
Capital Outlay	<u>525,000</u>	<u>495,630</u>	<u>491,645</u>
Total Expenditures	<u>8,796,393</u>	<u>8,555,685</u>	<u>8,539,553</u>
Excess of Revenues Over Expenditures	49,169	285,114	303,421
Other financing sources (uses):			
Transfers in (out)	<u>1,971</u>	<u>9,487</u>	<u>38,272</u>
Net change in fund balance	51,140	294,601	341,693
Fund Balance at beginning of year	<u>6,365,005</u>	<u>6,365,005</u>	<u>6,365,005</u>
Fund Balance at end of year	<u>\$ 6,416,145</u>	<u>\$ 6,659,606</u>	<u>\$ 6,706,698</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.



THE DORAL ACADEMY  
(A charter school under The Doral Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2019

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal sources	\$ 70,500	\$ 71,500	\$ 71,267
Federal school lunch program	197,680	200,798	198,957
Lunch fees	162,351	165,189	164,805
Total Revenues	<u>430,531</u>	<u>437,487</u>	<u>435,029</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	33,000	33,000	32,995
Food services	395,560	395,000	394,969
Total Current Expenditures	<u>428,560</u>	<u>428,000</u>	<u>427,964</u>
Excess of Revenues Over Current Expenditures	<u>1,971</u>	<u>9,487</u>	<u>7,065</u>
Capital Outlay	-	-	-
Total Expenditures	<u>428,560</u>	<u>428,000</u>	<u>427,964</u>
Excess of Revenues Over Expenditures	1,971	9,487	7,065
Other financing sources (uses)			
Transfers in (out)	<u>(1,971)</u>	<u>(9,487)</u>	<u>(38,272)</u>
Net change in fund balance	-	-	(31,207)
Fund Balance at beginning of year	<u>45,179</u>	<u>45,179</u>	<u>45,179</u>
Fund Balance at end of year	<u>\$ 45,179</u>	<u>\$ 45,179</u>	<u>\$ 13,972</u>

Notes to Budgetary Comparison Schedule

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



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

---

Board of Directors of  
The Doral Academy  
Doral, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Doral Academy (the "School") as of, and for the year ended June 30, 2019, 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 10, 2019.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

We noted certain matters that were reported to management in a separate management letter pursuant to Chapter 10.850, Rules of the Auditor General dated September 10, 2019.

## **Purpose of this Report**

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 10, 2019



## MANAGEMENT LETTER

To the Board of Directors of  
THE DORAL ACADEMY  
Doral, Florida

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

We have audited the financial statements of The Doral Academy, Doral, Florida, as of and for the year ended June 30, 2019 and have issued our report thereon dated September 10, 2019.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 10, 2019, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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

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

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code assigned by the Florida Department of education of the entity is The Doral Academy, 3030.

## **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 Doral Academy 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 The Doral Academy did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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 had the following recommendations:

### **ML – 19-01 CAPITAL ASSETS**

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

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

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

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

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

**Views of Responsible  
officials:** Management will adhere to auditor's recommendation. The ESSP is assisting the schools with identifying the proper support to ensure schools are in full compliance with inventory requirements.

## **Transparency**

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to report the results of our determination as to whether The Doral Academy maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that The Doral Academy 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 do not have any such recommendations.

## **Status of Prior Year Findings and Recommendations**

### **ML – 18-01 INTERNAL ACCOUNT DEPOSITS**

- Criteria:** The School designed and implemented an internal control system to reduce the risk of misappropriation of assets and/or cash receipts by establishing a general policy regarding the collection of money as detailed in the School's "Internal Accounts – Policies and Procedures" handbook.
- Condition:** We noted the following: Recap of Collections Form were missing, deposits were missing receipts for cash collections of over \$15, Recap of Collection Forms were not signed by the treasurer, deposit summaries did not agree to the supporting Recap of Collections Forms and bank deposit receipt.
- Cause:** The condition results from school personnel not consistently adhering to the policies and procedures regarding the collection of money as detailed in the handbook.
- Effect:** Failure to perform the procedures mentioned above could result in misappropriation of cash receipts.

Recom-  
mendation: We recommend that the School adheres to its internal control policies and procedures relating to the internal account so that all deposits and cash receipts are properly counted, reviewed, and reconciled to the amount deposited in the bank account.  
In addition, we recommend the School's treasurer and staff accepting cash receipts be provided additional internal account training to ensure compliance with these policies.

Status: This finding has been corrected and recommendaitons implemented by the School in the current year.

### **Purpose of this Letter**

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 10, 2019