

**OCEAN STUDIES CHARTER SCHOOL, INC.
AND SUBSIDIARY
TAVERNIER, FLORIDA
(A COMPONENT UNIT OF THE SCHOOL BOARD
OF MONROE COUNTY, FLORIDA)**

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

JUNE 30, 2021

OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
BASIC CONSOLIDATED FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2021

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OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY

100360 Overseas Hwy.
Key Largo, FL 33037
(305)852-7700

2020-2021

BOARD OF DIRECTORS

Ms. Nicky Rudolph, President
Mr. Charlie Rodgers, Vice President
Ms. Beth Kaminstein, Director
Ms. Laurie Brooks, Secretary
Mr. Ariel Poholek, Treasurer

SCHOOL ADMINISTRATION

Mrs. Trisha Woods, Principal



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ocean Studies Charter School, Inc. and Subsidiary
Tavernier, Florida

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the governmental activities, and each major fund of Ocean Studies Charter School, Inc. and its wholly owned subsidiary OSCS Properties, LLC, (collectively the "School") a component unit of the District School Board of Monroe County, as of and for the year ended June 30, 2021, and the related notes to the consolidated 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 consolidated 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 consolidated 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Ocean Studies Charter School, Inc. and its subsidiary, as of June 30, 2021, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and budgetary comparison information on pages 23 through 24 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 24, 2021, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 24, 2021

Management's Discussion and Analysis
Ocean Studies Charter School, Inc. and Subsidiary
June 30, 2021

The corporate officers of the School have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

1. The assets of the School exceeded its liabilities at June 30, 2021 by \$1,252,802 (net position).
2. The net position of the School increased by \$348,232 for the year ended June 30, 2021.
3. The School's total fund balance increased by \$134,916 for the year and had an ending fund balance of \$269,329 at June 30, 2021.

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, 2021 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 9 – 10 of this report.

Fund Financial Statements

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

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for its general and special revenue fund. 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 11 - 14 of this report.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 15 - 22 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, 2021 and 2020 follows:

Assets	<u>2021</u>	<u>2020</u>
Cash	\$ 348,799	\$ 250,554
Prepaid expenses and other assets	18,311	51,501
Capital assets, net	3,157,759	2,459,176
Total Assets	<u>\$ 3,524,869</u>	<u>\$ 2,761,231</u>
 Liabilities and Net Position		
Accounts and wages payable and accrued liabilities	\$ 97,781	\$ 167,642
Loan/Capital lease payable	2,174,286	1,689,019
Total Liabilities	<u>2,272,067</u>	<u>1,856,661</u>
Net investment in capital assets	983,473	770,157
Unrestricted	269,329	134,413
Total Net Position	<u>1,252,802</u>	<u>904,570</u>
Total Liabilities and Net Position	<u>\$ 3,524,869</u>	<u>\$ 2,761,231</u>

At June 30, 2021, the School's total assets were \$3,524,869 and total liabilities were \$2,272,067. At June 30, 2021, the School reported total net position of \$1,252,802.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2021 and 2020 follows:

REVENUES	<u>2021</u>	<u>2020</u>
Program Revenues		
Federal passed through local	\$ 21,841	\$ -
State capital outlay funding	68,555	55,361
General Revenues		
FEFP nonspecific revenue	1,520,720	1,234,224
Fundraising & other revenue	246,640	486,299
Total Revenues	<u>1,857,756</u>	<u>1,775,884</u>
 EXPENSES		
Instruction	769,465	575,213
Instructional support services	3,700	3,700
Instruction and curriculum development services	18,352	23,197
Instructional staff training services	5,218	2,722
Instructional-related technology	38,267	12,863
School administration	327,897	295,158
Facilities acquisition & construction	46,681	2,791
Food services	-	2,650
Central services	9,737	6,849
Pupil transportation services	520	3,605
Operation of plant	186,916	308,609
Maintenance of plant	17,076	22,742
Interest expense	85,695	31,608
Total Expenses	<u>1,509,524</u>	<u>1,291,707</u>
 Change in Net Position	348,232	484,177
 Net Position at Beginning of Year	<u>904,570</u>	<u>420,393</u>
Net Position at End of Year	<u>\$ 1,252,802</u>	<u>\$ 904,570</u>

The School's total revenues for the year ended June 30, 2021 were \$1,857,756, while its total expenses were \$1,509,524 for a net increase of \$348,232. The School's total revenues increased from prior year primarily due to the additional enrollment in addition to contributions received for the purchase of a new property for the future facility of the School.

ACCOMPLISHMENTS

The School has experienced an exceptional year. Despite the surprises from COVID-19, we successfully completed our new location in Key Largo. Our new building has been renovated, our parking lot is complete, and the classrooms are full of students.

The new building has a brand new marine science lab complete with new furniture and tanks for learning. Some of our new furniture has been built from recycled plastic from the ocean. Our Board of Directors and Construction Committee worked hard to ensure that our building would be ready for the beginning of the 2020-2021 school year.

Last year, we earned the recognition of an Everglades Champion School thanks to the hard work and dedication of our Everglades Champion Committee. We are the only school in Monroe County to have earned this status.

SCHOOL LOCATION

The School operates in the Tavernier, Florida from its facility located at 100360 Overseas Hwy., Key Largo, FL 33037.

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 reported combined ending fund balance of \$269,329.

CAPITAL ASSETS

The School's investment in capital assets, as of June 30, 2021, amounts to \$3,157,759 (net of accumulated depreciation). This investment in capital assets includes land, building and leasehold improvements, furniture, fixtures and equipment and audio-visual materials and computer software.

LOAN PAYABLE

In December 2019, the School and OSCS Properties, LLC (a wholly owned subsidiary of Ocean Studies Charter School, Inc.) purchased and constructed its new facilities located in Key Largo, Florida. The purchased and construction was primarily financed with a mortgage loan payable of advances totaling up to \$1,987,000. The note is collateralized by the School's building and land and matures in December 2029. The note payable bears interest of 3.950%. The balance at June 30, 2021 was \$1,953,837.

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	\$ 1,304,334	\$ 1,304,334	\$ 1,520,720
Federal passed through local	8,479	8,479	21,841
State capital outlay funding	24,000	24,000	68,555
Fundraising and other income	16,200	16,200	246,640
TOTAL REVENUES	1,353,013	1,353,013	1,857,756
EXPENDITURES			
Instruction	716,297	716,297	769,465
Instructional support services	-	-	3,700
Instruction & curriculum development	23,035	23,035	18,352
Instructional staff training services	3,500	3,500	5,218
Instructional-related technology	-	-	38,267
School administration	296,687	296,687	327,897
Facilities acquisition & construction	20,000	20,000	837,005
Food services	-	-	-
Central services	7,920	7,920	9,737
Pupil transportation services	4,000	4,000	520
Operation of plant	233,452	233,452	101,041
Maintenance of plant	3,000	3,000	11,210
Debt service	33,496	33,496	136,244
TOTAL EXPENDITURES	1,341,387	1,341,387	2,258,656
Change in fund balance before other financing sources	11,626	11,626	(400,900)
Other financing sources	-	-	535,816
Net change in fund balance	<u>\$ 11,626</u>	<u>\$ 11,626</u>	<u>\$ 134,916</u>

The facilities and acquisition costs were financed through fundraising and through financing with the School's construction loan.

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 Mrs. Trisha Woods at 100360 Overseas Hwy., Key Largo, FL 33037.

OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 348,799
Prepaid expenses	17,601
TOTAL CURRENT ASSETS	<u>366,400</u>
CAPITAL ASSETS, net	3,157,759
Deposit receivable and other assets	710
TOTAL ASSETS	<u><u>\$ 3,524,869</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 12,314
Accrued wages payable	85,467
Loan payable	82,499
TOTAL CURRENT LIABILITIES	<u>180,280</u>
Loan payable - long term portion	2,091,787
TOTAL LIABILITIES	<u>2,272,067</u>
NET POSITION	
Invested in capital assets, net of related debt	983,473
Unrestricted	269,329
TOTAL NET POSITION	<u>1,252,802</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 3,524,869</u></u>

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

OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 769,465	\$ -	\$ 21,841	\$ -	\$ (747,624)
Instructional support services	3,700	-	-	-	(3,700)
Instructional and Curriculum Development	18,352	-	-	-	(18,352)
Instructional staff training services	5,218	-	-	-	(5,218)
Instructional-related technology	38,267	-	-	-	(38,267)
School administration	327,897	-	-	-	(327,897)
Facilities acquisition & construction	46,681	-	-	-	(46,681)
Pupil transportation services	520	-	-	-	(520)
Operation of plant	186,916	-	-	68,555	(118,361)
Maintenance of plant	17,076	-	-	-	(17,076)
Central services	9,737	-	-	-	(9,737)
Interest expense	85,695	-	-	-	(85,695)
Total Governmental Activities	\$ 1,509,524	\$ -	\$ 21,841	\$ 68,555	\$ (1,419,128)

GENERAL REVENUES:

Government grants not restricted to specific programs	1,520,720
Fundraising and other revenue	246,640
Total general revenues	<u>1,767,360</u>

Change in Net Position 348,232

NET POSITION - BEGINNING 904,570

NET POSITION - ENDING \$ 1,252,802

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

**OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Governmental Fund</u>
ASSETS	
Cash and cash equivalents	\$ 348,799
Prepaid expenses	17,601
Deposit receivable and other assets	710
TOTAL ASSETS	<u>\$ 367,110</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 12,314
Accrued wages payable	85,467
TOTAL LIABILITIES	<u>97,781</u>
FUND BALANCE	
Nonspendable	
Prepaid expenses and other assets	18,311
Unassigned	251,018
TOTAL FUND BALANCE	<u>269,329</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 367,110</u>

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

OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2021

Total Fund Balance - Governmental Funds		\$ 269,329
Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the fund.		
	Capital assets	3,248,735
	Accumulated depreciation	(90,976)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.		
	Loan payables	(2,174,286)
Total Net Position - Governmental Activities		<u>\$ 1,252,802</u>

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

OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Fund	Capital Projects Fund	Special Revenue Fund	Governmental Funds
REVENUES				
State passed through local	\$ 1,520,720	\$ -	\$ -	\$ 1,520,720
State capital outlay funding	-	68,555	-	68,555
Federal passed through local	-	-	21,841	21,841
Other income	246,640	-	-	246,640
TOTAL REVENUES	\$ 1,767,360	\$ 68,555	\$ 21,841	\$ 1,857,756
EXPENDITURES				
Current:				
Instruction	\$ 609,634	\$ -	\$ 159,831	\$ 769,465
Instructional support services	3,700	-	-	3,700
Instructional and Curriculum Development	18,352	-	-	18,352
Instructional staff training services	5,218	-	-	5,218
Instructional-related technology	38,267	-	-	38,267
School administration	327,897	-	-	327,897
Facilities acquisition & construction	-	-	-	-
Pupil transportation services	520	-	-	520
Operation of plant	32,486	68,555	-	101,041
Central services	9,737	-	-	9,737
Maintenance of plant	11,210	-	-	11,210
Capital Outlay:				
Other capital outlay	837,005	-	-	837,005
Debt Service:				
Redemption of principal	50,549	-	-	50,549
Interest	85,695	-	-	85,695
TOTAL EXPENDITURES	\$ 2,030,270	\$ 68,555	\$ 159,831	\$ 2,258,656
Excess of expenditures over revenues	(262,910)	-	(137,990)	(400,900)
OTHER FINANCING SOURCES				
Proceeds from long-term financing	397,826	-	137,990	535,816
Total other financing sources	397,826	-	137,990	535,816
Net change in fund balance	134,916	-	-	134,916
Fund balance at beginning of year	134,413	-	-	134,413
Fund balance at end of year	\$ 269,329	\$ -	\$ -	\$ 269,329

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

OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FOR THE YEAR ENDED JUNE 30, 2021

Change in Fund Balance - Governmental Funds \$ 134,916

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.

Capital outlays	837,005
Depreciation expense	(87,585)
Loss on disposal	(50,837)

The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Repayments of principal	50,549
Proceeds from loan	(535,816)

Change in Net Position of Governmental Activities	\$ 348,232
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The accompanying notes are an integral part of this financial statement.

**OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
NOTES TO BASIC CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Ocean Studies Charter School, Inc. (the “School”) is a charter school sponsored by the School Board of Monroe County, Florida (the “District”) and is a component unit of the District. The School is a Not-For Profit Corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act and Section 1002.33(7) 12, Florida Statutes, to offer a quality public education based on the best practices in accelerated learning and reflecting the diversity of the children of Monroe County.

OSCS Properties, LLC was formed in December 2019, for the purpose of purchasing property and leasing the facilities to Ocean Studies Charter School, Inc. located at 100360 Overseas Highway in Key Largo, Florida. OSCS Properties, LLC is a disregarded entity for tax purposes. Collectively Ocean Studies Charter School, Inc. and OSCS Properties, LLC are referred together as the School.

The School will offer a rigorous academic program, producing students who meet or exceed the Florida State Standards in English Language Arts, Math, Science, and Social Studies. While nurturing curiosity, creativity and imagination, we will encourage children to become independent, responsible and self-motivated learners. Through a uniquely prepared environment and the use of special didactic materials, the students progress through individual educational programs centered on the fascinating marine environment surrounding their community. The governing body of the School is the not for profit corporation’s Board of Directors, which is composed of six members. The School’s charter started April 26, 2011 and operations began July, 2011.

The general operating authority of the School is contained in Section 1002.33(1), Florida Statutes. The School operates under a charter of the sponsoring school district and is a component unit of the Monroe County District Board (the “District”). The current charter is effective until July 15, 2029.

Criteria for determining if other entities are potential component units of the School which should be reported with the School’s basic financial statements are identified and described in the Governmental Accounting Standards Board’s (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provide for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

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.

Principles of Consolidation

The consolidated financial statements include the accounts of Ocean Studies Charter School, Inc. and OSCS Properties, LLC. All significant inter-company accounts and transactions have been eliminated in the consolidation of the accounts of the School and its subsidiary.

**OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
NOTES TO BASIC CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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:

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

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 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.

**OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
NOTES TO BASIC CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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).

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.

Accounts receivable

Accounts receivable consists of after school care fees pending to be collected. Any bad debts are expensed in the subsequent period when they are determined to be uncollectible.

Due from Governmental Agencies

Due from other agency consists of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources and from advances made to other governmental units.

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$1,000 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, fixtures and equipment	3-10 Years
Playground Equipment	3-10 Years
Motor Vehicles	5 Years
Improvements other than building	5 Years
Building improvements	Life of the lease

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"). All sick/personal leave days must be used by the fiscal year end. There is an opportunity to "cash out" 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.

**OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
NOTES TO BASIC CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis Accounting (Continued)

Compensated Absences (Continued)

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 Fund Net Position

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 net investment in capital assets for the year ending June 30, 2021, was \$983,473.
- 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 restricted net position for the year ending June 30, 2021 was \$0.
- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances

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

- Nonspendable – 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, 2021, the School had \$18,311 in nonspendable 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, 2021, there is no restricted fund balance.
- 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, 2021, 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, 2021, there is no assigned fund balance.
- 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, and 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. As of June 30, 2020, there are no minimum fund balance requirements for any of the School’s funds.

**OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
NOTES TO BASIC CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis Accounting (Continued)

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Monroe 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.

Income Taxes

Ocean Studies Charter School, 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. OSCS Properties, LLC is a disregarded entity for tax purposes and therefore is not required to file a tax return form.

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 24, 2021, which is the date the financial statements were available to be issued.

OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
NOTES TO BASIC CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 – CAPITAL ASSETS

The following schedule provides a summary of changes in capital assets, acquired substantially through fundraising and loan financing, for the year ended June 30, 2021:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Capital Assets				
Land	\$ 180,000	\$ -	\$ -	\$ 180,000
Building and improvements	2,087,765	786,513	-	2,874,278
Improvements other than building	94,887	38,637	(94,887)	38,637
Furniture & equipment	94,509	11,855	(9,974)	96,390
Vehicles	105,280	-	(45,850)	59,430
Audio visual materials & computer software	2,072	-	(2,072)	-
Total Capital Assets	<u>2,564,513</u>	<u>837,005</u>	<u>(152,783)</u>	<u>3,248,735</u>
Less Accumulated Depreciation				
Improvements other than building	(48,179)	(62,094)	48,179	(62,094)
Furniture & equipment	(8,759)	(18,020)	7,305	(19,474)
Vehicles	(46,327)	(7,471)	44,390	(9,408)
Audio visual materials & computer software	(2,072)	-	2,072	-
Total Accumulated Depreciation	<u>(105,337)</u>	<u>(87,585)</u>	<u>101,946</u>	<u>(90,976)</u>
Capital Assets, net	<u>\$ 2,459,176</u>	<u>\$ 749,420</u>	<u>\$ (50,837)</u>	<u>\$ 3,157,759</u>

In December 2019, the School purchased facilities totaling \$1,800,000 with a loan payable from a financial institution (See Note 4). In addition, the School renovated the facilities totaling approximately \$1,254,000, which is included in building and improvements. Depreciation expense for the year ended June 30, 2021, was \$87,585 and is included in operation of plant in the statement of activities.

NOTE 4– LOAN PAYABLE

In December 2019, the School purchased facilities through a loan payable from a financial institution with advances up to \$1,987,000. The loan requires monthly payments of interest only for 12 months commencing on January 20, 2020, followed by 107 monthly payments of principal and interest of \$10,308 and a balloon payment on December 20, 2029. The interest rate is fixed at 3.950% per annum. The loan is secured by the School's assets.

In addition, the School purchased buses totaling \$39,420. The loan is payable in 48 monthly installments of \$891 and bears interest at 4.060% and matures on December 18, 2023.

Finally, the School in October 2020 financed furniture totaling \$65,000. The loan is payable in 60 monthly installments of \$1,199 and bears interest at an annual rate of 4.00% and matures on October 2025.

**OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
NOTES TO BASIC CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 4 - LOAN PAYABLE (Continued)

In March 2021, the School received loan proceeds of \$137,990 through the Paycheck Protection Program (“PPP”). The loan proceeds are to be used for payroll, rent, utilities and interest expense. The loan matures on March 2026 and bears annual interest at 1.00%. The loan is payable monthly with a deferral of payments for the first ten months of the date of the loan. The loan and accrued interest are forgivable in whole or in part if used for the qualifying purposes as noted above. The note payable has been classified as long-term. The School has used the funds in accordance with the conditions noted above and believes the entire amount of the loan will be forgiven for the fiscal year ended June 30, 2022.

The following schedule provides a summary of changes for the year ended June 30, 2021:

	Balance at July 1, 2020	Additions	Repayments	Balance at June 30, 2021
Bus loan payable	\$ 34,845	\$ -	\$ 9,457	\$ 25,388
Furniture loan payable	-	65,000	7,929	57,071
Payroll Protection Program Loan Payable	-	137,990	-	137,990
Mortgage payable	1,654,174	332,826	33,163	1,953,837
	<u>\$ 1,689,019</u>	<u>\$ 535,816</u>	<u>\$ 50,549</u>	<u>\$ 2,174,286</u>

Future maturities are as follows:

<u>Year Ending June 30,</u>	
2022	\$ 82,499
2023	223,825
2024	83,911
2025	81,796
2026	78,143
Thereafter	<u>1,624,112</u>
Total	<u>\$ 2,174,286</u>

NOTE 5 – DEPOSITS POLICY AND CREDIT RISK

It is the School’s policy to maintain its cash and cash equivalents in one financial institution. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Ocean Studies Charter School, Inc. All bank accounts are opened under the account ownership of Ocean Studies Charter School, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2021, bank balances in potential excess of FDIC coverage was \$0.

**OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
NOTES TO BASIC CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 6 – GRANTS

In the normal course of operations, the School receives grant funds from various federal, state and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements.

NOTE 7 – RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

NOTE 8 – OTHER MATTERS

The World Health Organization (“WHO”) has declared the coronavirus (COVID-19), a global pandemic and public health emergency. At this point, the School cannot reasonably estimate the extent to which this disruption may continue to affect the School’s financial statements and future results of operations.

REQUIRED SUPPLEMENTAL INFORMATION

OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund		
	Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 1,304,334	\$ 1,304,334	\$ 1,520,720
Other income	16,200	16,200	246,640
TOTAL REVENUES	1,320,534	1,320,534	1,767,360
EXPENDITURES			
Instructional	716,297	716,297	609,634
Instructional support services	-	-	3,700
Instruction & curriculum development	23,035	23,035	18,352
Instructional staff training services	3,500	3,500	5,218
Instructional-related technology	-	-	38,267
School administration	296,687	296,687	327,897
Facilities acquisition & construction & other capital outlay	20,000	20,000	837,005
Food service	3,180	-	-
Pupil transportation services	4,000	4,000	520
Central services	7,920	7,920	9,737
Operation of plant	185,452	185,452	32,486
Maintenance of plant	3,000	3,000	11,210
Debt service	33,496	33,496	136,244
TOTAL EXPENDITURES	1,296,567	1,293,387	2,030,270
Change in fund balance before other financing sources	23,967	27,147	(262,910)
Other financing sources	-	-	397,826
Net change in fund balance	\$ 23,967	\$ 27,147	\$ 134,916

See accompanying note to the required supplemental information.

OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Federal passed through local	\$ -	\$ -	\$ 21,841
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,841</u>
EXPENDITURES			
Instruction	\$ -	\$ -	\$ 159,831
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,831</u>
Other financing sources	<u>-</u>	<u>-</u>	<u>137,990</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying note to the required supplemental information.

OCEAN STUDIES CHARTER SCHOOL, INC. AND SUBSIDIARY
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, 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 and capital project 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).



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
Ocean Studies Charter School, Inc. and Subsidiary
Tavernier, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Ocean Studies Charter School, Inc. (the "School"), as of and for the year ended June 30, 2021, 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 24, 2021.

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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 24, 2021



MANAGEMENT LETTER

Board of Directors of
Ocean Studies Charter School, Inc. and Subsidiary
Tavernier, Florida

Report on the Financial Statements

We have audited the financial statements of Ocean Studies Charter School, Inc. and Subsidiary (the "School"), as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 24, 2021.

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 Reports 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 24, 2021, 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 annual financial audit report.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education of the school is Ocean Studies Charter School and #440381.

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 led us to believe that the School's overall financial condition as of June 30, 2021 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 such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether 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 warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

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

Purpose of this Letter

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

A handwritten signature in cursive script that reads "Verdepin DeArmas Trijillo".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 24, 2021