

**VIERA CHARTER
SCHOOL
(A division of Viera
Charter Schools, Inc. and a
Component Unit of the School
Board of Brevard County,
Florida)**

**Basic Financial Statements and
Supplementary Information**

June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Viera Charter Schools, Inc.
Viera, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Viera Charter School (the "School"), a division of Viera Charter Schools, Inc. (the "Charterholder"), a component unit of the School Board of Brevard County, Florida (the "District"), 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 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 School'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 School'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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information, as listed in the table of contents, 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 30, 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 solely 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 effectiveness of the School's 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.

September 30, 2021
Melbourne, Florida

Berman Hopkins Wright & Latham
CPAs and Associates, LLP

Management's Discussion and Analysis

As management of Viera Charter School (the "School") a division of Viera Charter Schools, Inc. which is a component unit of the School Board of Brevard County, Florida, we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2021 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Since the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the basic financial statements listed in the table of contents.

Financial Highlights

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$389,012 for a net position.
- The School's total net position increased by \$654,033.
- As of the close of the current fiscal year, the School's governmental funds reported a combined ending fund balances of \$5,567,059.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,151,698.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected funding and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School that are principally supported by district, state, and federal funding (governmental activities). Basic instruction, exceptional instruction, and School administration are examples of the School's governmental activities.

The government-wide financial statements include only the School itself, which is a component unit of the School Board of Brevard County, Florida. The School Board of Brevard County, Florida includes the operations of the School in their operational results.

The government-wide financial statements can be found as listed in the table of contents of this report.

Fund financial statements. A fund is a collection of related accounts grouped together to maintain control over resources that have been segregated for specific activities or objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the School are presented in governmental funds only.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. The general fund and debt service fund are considered to be major funds.

The governmental fund financial statements can be found as listed in the table of contents of this report.

General Fund Budgetary Highlights. The School adopts an annual appropriated budget for its entire operations. Budgetary comparison schedules and notes to these schedules have been provided to demonstrate compliance with this budget and can be found as listed in the table of contents of this report.

Notes to the financial statements. The notes 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 starting as listed in the table of contents of this report.

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the School's financial position. As of June 30, 2021 and 2020, assets exceeded liabilities by \$389,012 (net position) and liabilities exceeded assets by \$265,021 (net deficit), respectively.

The largest portion of the School's net position is the restricted portion. Another portion of the net position reflects its net investment in capital assets (e.g., furniture, fixtures, and equipment, buildings, etc.) less any related debt used to acquire those assets that is still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The net investment in capital assets was a deficit of \$1,138,054 at June 30, 2021. Comparison of the condensed statement of net position and the statement of activities are provided below:

Statement of Net Position

	Governmental Activities		
	2021	2020	Variance
ASSETS			
Current assets	\$ 7,460,522	\$10,851,767	\$ (3,391,245)
Capital assets, net	28,083,691	24,976,186	3,107,505
Total assets	35,544,213	35,827,953	(283,740)
LIABILITIES			
Current liabilities	2,188,688	1,650,341	538,347
Noncurrent liabilities	32,966,513	34,442,633	(1,476,120)
Total liabilities	35,155,201	36,092,974	(937,773)
NET POSITION			
Net investment in capital assets	(1,138,054)	(352,024)	(786,030)
Restricted	3,173,254	8,495,043	(5,321,789)
Unrestricted	(1,646,188)	(8,408,040)	6,761,852
Total net position (deficit)	\$ 389,012	\$ (265,021)	\$ 654,033

The decrease in cash and the increase in capital assets is due to the completion of the expansion of the facilities which was related to the 2020 bond issuance. The increase in current liabilities is due to an increase in accrued payroll and the amount due to other parties. The decrease in noncurrent liabilities is due to payments on the 2020 bonds and the forgiveness of the Payroll Protection Program ("PPP") loan liability.

Statement of Activities

	Governmental Activities		
	2021	2020	Variance
Revenues:			
Program revenues:			
Charges for services	\$ -	\$ 21,226	\$ (21,226)
Operating grants and contributions	387,669	109,138	278,531
General revenues:			
State passed through school district	10,050,641	8,032,670	2,017,971
Paycheck Protection Program ("PPP")			
loan forgiveness	904,920	-	904,920
Other revenues	474,165	378,165	96,000
Total revenues	<u>11,817,395</u>	<u>8,541,199</u>	<u>3,276,196</u>
Expenses:			
Basic instruction	5,523,814	4,385,925	1,137,889
Exceptional instruction	274,169	105,591	168,578
Guidance services	71,696	72,473	(777)
Health services	68,200	8,377	59,823
Media services	13,931	-	13,931
Instruction and curriculum development services	115,843	153,937	(38,094)
Instructional staff training services	11,391	11,058	333
Instruction related technology	133,475	134,845	(1,370)
Board	129,364	99,607	29,757
General administration	411,881	318,524	93,357
School administration	664,475	636,618	27,857
Student transportation	486,291	261,475	224,816
Fiscal services	427,055	350,750	76,305
Facilities	740,082	350,627	389,455
Central services	-	3,625	(3,625)
Operation of plant	1,057,611	609,332	448,279
Maintenance of plant	149,481	81,684	67,797
Interest on long-term obligations	885,804	1,296,267	(410,463)
Debt issuance cost	1,899	597,104	(595,205)
Total expenses	<u>11,166,462</u>	<u>9,477,819</u>	<u>1,688,643</u>
Change in net position	650,933	(936,620)	1,587,553
Net position at the beginning of the year	(265,021)	671,599	(936,620)
Net position (deficit) at the end of the year	<u>\$ 385,912</u>	<u>\$ (265,021)</u>	<u>\$ 650,933</u>

The increase in state revenue passed through the School district is primarily attributable to an increase in FEFP revenues due to increased enrollment and additional grants received for COVID. The increase in operating grants and contributions is due to new grants that were provided due to COVID. The increase in PPP loan revenue is due to the forgiveness of the PPP loan.

The increase in basic instruction expenses is due to an increase in enrollment due to the expansion. The increase in student transportation is due to increase in bus routes due to COVID social distancing requirements, as the school was opened all year they had to double their routes to meet the requirements. The increase in facilities and operation of plant expenses is due to the building expansion. The decrease in Interest on long-term obligations is mainly due to the redemption of principal. The decrease in the debt issuance cost is due to no new debt issued being issued in the current year.

Financial Analysis of the Government's Funds

As noted previously, 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 the School's net resources available for spending at the end of the fiscal year.

As of the current fiscal year, the School's governmental funds reported a combined ending fund balance of \$5,567,059.

The general fund is the main operating fund of the School. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$2,151,698.

During the current fiscal year, the fund balance of the School's general fund decreased by \$986,216.

General Fund Budgetary Highlights

Actual general fund revenues and expenditures equal budgeted revenues and expenditures. The budgetary information can be found as listed in the table of contents of this report.

Capital Asset and Debt Administration

Capital Assets. The School's investment in capital assets for its governmental type activities as of June 30, 2021, amounts to \$28,083,691, net of accumulated depreciation and amortization. This investment in capital assets includes land, buildings and fixed equipment, computer software, and furniture, fixtures and equipment. Additional information on the School's capital assets can be found in Note C.

Debt Administration. The School's long term debt (net) at June 30, 2021 totaled \$33,247,388, a decrease of \$1,180,895 from the prior fiscal year due to the forgiveness of the PPP loan in the amount of \$904,920 and payments made on the Series 2017 and 2019 bonds. Additional information on the School's long-term obligations can be found in Note D.

Economic Factors. A majority of the School's funding is determined by the number of enrolled students. Due to the School being an A+ School, the School is forecasting enrollment to be at the building's capacity of 1,328 students.

Request for Information

This financial report is designed to provide a general overview of the Viera Charter School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Viera Charter School, 6206 Breslay Drive, Florida, 32940.

Viera Charter School
(A division of Viera Charter Schools, Inc. and a Component Unit of the School
Board of Brevard County, Florida)

STATEMENT OF NET POSITION

June 30, 2021

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents - unrestricted	\$ 3,095,810
Cash and cash equivalents - restricted	3,173,254
Due from other agencies	397,061
Due from other schools	28,016
Total current assets	<u>6,694,141</u>
CAPITAL ASSETS	
Capital assets not being depreciated	
Land	3,581,082
Capital assets, net	
Buildings and fixed equipment, net	24,172,235
Furniture, fixtures and equipment, net	329,074
Computer software, net	1,300
Total capital assets	<u>28,083,691</u>
Total assets	<u>34,777,832</u>
LIABILITIES	
Accounts payable	122,530
Accrued interest payable	433,391
Accrued payroll	552,260
Unearned revenue	18,901
Long-term liabilities - due within one year	
Accrued compensation	17,450
Bonds payable	285,975
Total current liabilities	<u>1,430,507</u>
Long-term liabilities - due in more than one year	
Bonds payable, net	<u>32,961,413</u>
Total liabilities	<u>34,391,920</u>
NET POSITION	
Net investment in capital assets	(1,138,054)
Restricted	3,173,254
Unrestricted	<u>(1,649,288)</u>
Total net position	<u>\$ 385,912</u>

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

Viera Charter School
(A division of Viera Charter Schools, Inc. and a Component Unit of the School
Board of Brevard County, Florida)

STATEMENT OF ACTIVITIES

For the year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Basic instruction	\$ 5,523,814	\$ -	\$ 387,669	\$ -	\$ (5,136,145)
Exceptional instruction	274,169	-	-	-	(274,169)
Guidance services	71,696	-	-	-	(71,696)
Health services	68,200	-	-	-	(68,200)
Media services	13,931	-	-	-	(13,931)
Instruction and curriculum development services	115,843	-	-	-	(115,843)
Instructional staff training services	11,391	-	-	-	(11,391)
Instruction related technology	133,475	-	-	-	(133,475)
Board	129,364	-	-	-	(129,364)
General administration	411,881	-	-	-	(411,881)
School administration	664,475	-	-	-	(664,475)
Student transportation	486,291	-	-	-	(486,291)
Fiscal services	427,055	-	-	-	(427,055)
Facilities	740,082	-	-	-	(740,082)
Operation of plant	1,057,611	-	-	-	(1,057,611)
Maintenance of plant	149,481	-	-	-	(149,481)
Interest on long-term obligations	885,804	-	-	-	(885,804)
Debt issuance cost	1,899	-	-	-	(1,899)
Total governmental activities	\$ 11,166,462	\$ -	\$ 387,669	\$ -	(10,778,793)
General revenues:					
State passed through school district					10,050,641
Paycheck Protection Program ("PPP") loan forgiveness					904,920
Other revenues					474,165
Total general revenues					11,429,726
Change in net position					650,933
Net position at the beginning of the year					(265,021)
Net position at the end of the year					\$ 385,912

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

Viera Charter School
(A division of Viera Charter Schools, Inc. and a Component Unit of the School
Board of Brevard County, Florida)

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	\$ 2,847,611	\$ -	\$ 248,199	\$ 3,095,810
Cash and cash equivalents - restricted	-	3,173,254	-	3,173,254
Due from other agencies	-	69,803	327,258	397,061
Due from other schools	28,016	-	-	28,016
Due from other funds	743,992	18,901	3,488	766,381
Total assets	\$ 3,619,619	\$ 3,261,958	\$ 578,945	\$ 7,460,522
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 122,530	\$ -	\$ -	\$ 122,530
Interest and fees payable	-	433,391	-	433,391
Unearned revenue	-	18,901	-	18,901
Accrued payroll	552,260	-	-	552,260
Due to other funds	12,707	416,836	336,838	766,381
Total liabilities	687,497	869,128	336,838	1,893,463
FUND BALANCES				
Nonspendable				
Prepaid expenses	-	-	-	-
Deposits	-	-	-	-
Restricted	780,424	2,392,830	-	3,173,254
Unassigned	2,151,698	-	242,107	2,393,805
Total fund balances	2,932,122	2,392,830	242,107	5,567,059
Total liabilities and fund balances	\$ 3,619,619	\$ 3,261,958	\$ 578,945	\$ 7,460,522

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

Viera Charter School
(A division of Viera Charter Schools, Inc. and a Component Unit of the School
Board of Brevard County, Florida)

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION

June 30, 2021

Fund balances - total governmental funds \$ 5,567,059

The net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land	\$ 3,581,082	
Buildings and fixed equipment, net	24,172,235	
Furniture, fixtures and equipment, net	329,074	
Computer software, net	<u>1,300</u>	
Total capital assets, net		28,083,691

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Accrued compensation		(17,450)
Bonds principal	(32,661,666)	
Bonds discount	59,344	
Bond premium	<u>(645,066)</u>	
Total bonds payable, net		<u>(33,247,388)</u>
Total net position of governmental activities		<u>\$ 385,912</u>

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

Viera Charter School
(A division of Viera Charter Schools, Inc. and a Component Unit of the School
Board of Brevard County, Florida)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

For the year ended June 30, 2021

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
State passed through school district	\$ 9,339,746	\$ 673,105	\$ 37,790	\$ 10,050,641
Federal through state	-	-	387,669	387,669
Interest income	-	1,336	-	1,336
Miscellaneous	99,154	233,259	119,209	451,622
Total revenues	<u>9,438,900</u>	<u>907,700</u>	<u>544,668</u>	<u>10,891,268</u>
Expenditures				
Current:				
Basic instruction	5,383,771	-	287,297	5,671,068
Exceptional instruction	273,932	-	-	273,932
Guidance services	71,696	-	-	71,696
Health services	64,237	-	5,558	69,795
Media services	21,240	-	-	21,240
Curriculum development services	93,746	-	22,097	115,843
Instructional staff training services	6,166	-	5,225	11,391
Instruction related technology	163,483	-	8,357	171,840
Board	106,969	22,395	-	129,364
General administration	411,881	-	-	411,881
School administration	671,466	-	4,099	675,565
Fiscal services	427,055	-	-	427,055
Student transportation services	484,839	-	1,452	486,291
Facilities	10,172	2,661,319	145,070	2,816,561
Operation of plant	1,092,730	-	28,569	1,121,299
Maintenance of plant	139,994	-	14,793	154,787
Debt service:				
Principal	-	256,667	-	256,667
Interest	-	1,639,360	-	1,639,360
Total expenditures	<u>9,423,377</u>	<u>4,579,741</u>	<u>522,517</u>	<u>14,525,635</u>
Excess (deficiency) of revenues over (under) expenditures	15,523	(3,672,041)	22,151	(3,634,367)
Other financing sources and uses:				
Transfers in	10,318	1,012,057	-	1,022,375
Transfers out	<u>(1,012,057)</u>	<u>-</u>	<u>(10,318)</u>	<u>(1,022,375)</u>
Net change in fund balances	(986,216)	(2,659,984)	11,833	(3,634,367)
Fund balances at the beginning of the year	<u>3,918,338</u>	<u>5,052,814</u>	<u>230,274</u>	<u>9,201,426</u>
Fund balances at the end of the year	<u>\$ 2,932,122</u>	<u>\$ 2,392,830</u>	<u>\$ 242,107</u>	<u>\$ 5,567,059</u>

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

Viera Charter School
(A division of Viera Charter Schools, Inc. and a Component Unit of the School
Board of Brevard County, Florida)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2021

Net change in fund balances - total government funds \$ (3,634,367)

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Capital outlay	\$	3,036,190	
Capitalized interest		753,556	
Depreciation and amortization expense		<u>(682,241)</u>	
			3,107,505

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of discounts and premiums when the debt is first issued, whereas this amount is deferred and amortized in the statement of activities.

PPP loan forgiveness		904,920	
Amortization of bonds payable discount		(1,899)	
Amortization of bonds payable premium		21,207	
Principal payments on long term debt		256,667	

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Accrued compensation changes		<u>(3,100)</u>	
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Change in net position of governmental activities		<u><u>\$ 650,933</u></u>	
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The accompanying notes are an integral part of this financial statement.

Viera Charter School
(A division of Viera Charter Schools, Inc. and a Component Unit of the School
Board of Brevard County, Florida)

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Viera Charter School (the "School") is a division of Viera Charter Schools, Inc. (the "Charterholder"), a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The Charterholder is designated as an educational organization under Section 501(c)(3) of the Internal Revenue Code. The governing body of the School is the Board of Trustees, which is composed of five members. The financial information presented is that of the School only and is not intended to be a complete presentation of the Charterholder or the District.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring School district, which is the School Board of Brevard County, Florida (the "District"). The current charter is effective until June 30, 2032. At the end of the term of the charter, the District may choose not to renew the charter under the grounds specified in the charter agreement in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

2. Government-wide and fund financial statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the School. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only the governmental activities as the School does not engage in any business type activities.

Net position, the difference between assets, liabilities, and deferred outflows/inflows of resources, as presented in the statement of net position, are subdivided into three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations of other governments, or enabling legislation. Unrestricted net position includes all of the remaining net position that does not meet the definition of the other two components.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements (continued)

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues, and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function.

Indirect expenses are costs the School has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions.

Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the School's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. The School reports the general fund and debt service fund as its major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

3. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement focus, basis of accounting, and financial statement presentation (continued)

All government fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as an expenditure only when payment is due.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The School reports the following major governmental funds:

General Fund - is the general operating fund of the School and is used to account for all financial resources not required to be accounted for in another fund.

Debt Service Fund - this fund accounts for the resources accumulated and payments made for principal and interest on the School's long-term debt related to bond issuances.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Cash and cash equivalents

Unrestricted cash is made up of checking accounts held at financial institutions and short-term investments with original maturities of three months or less.

5. Receivables

As of June 30, 2021, the School's due from consist of amounts due from the School's food services sponsor (a separate charter school), and other governmental agencies. As of June 30, 2021, the School is owed \$28,016 for the reimbursement of cafeteria personnel payroll related food service expenses. The School is owed \$397,061 for other grants (primarily the Elementary and Secondary School Emergency Relief Fund "ESSER"). Based on prior experience, the School's management considers 100% of the due from fully collectible. Therefore, no allowance for doubtful accounts has been provided.

6. Prepaid expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid expenses in both the government-wide and fund financial statements.

7. Capital assets

Capital assets are reported in the governmental columns on the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the School are depreciated and amortized using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and fixed equipment	30
Furniture, fixtures and equipment	5 - 7
Computer software	5

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

8. Interfund activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds.

9. Long-term liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental funds report the face amount of debt issued as other financing sources and repayments of debt principal as debt service expenditures.

The amortization of discount and premiums on bonds is over the life of the related debt. The amortization of discount or premiums is recorded as interest expense. Bonds payable are reported net of the applicable bond discount or premium. In the fund financial statements, governmental funds recognize bond premiums and discounts during the period the debt is issued. The face amount of debt issued and premiums received are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Debt issuance costs are reported as expenditures or expenses when incurred.

10. Compensated absences

The School accrues personal leave based on current compensation levels in accordance with accounting principles generally accepted in the United States of America. The entire compensated absences liability is reported on the government-wide financial statements.

All full-time salaried instructional employees earn personal leave throughout the year. The employees can carry over up to four unused personal leave days with a maximum accumulation of 12 days in a single year and must be used or forfeited upon termination.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Revenue sources

Revenues for current operations are received primarily from the State of Florida passed through 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(17), Florida Statutes, the School reports the number of full-time equivalent ("FTE") students and related data to the District, whereby the District reports to the Florida Department of Education ("FDOE"). 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 FTE students reported by the School during the designated FTE student survey periods.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

Additionally, other revenues are derived from various fundraising activities, interest on bank accounts, student activities, and other miscellaneous items.

12. Income taxes

The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

The School recognizes the financial statement effects from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the School and various positions related to the potential sources of unrelated business taxable income. The assessment of the technical merits of a tax position is a matter of judgment. The School believes that all of its tax positions are more likely than not to be sustained upon examination.

The School files Form 990 in the U.S. federal jurisdiction. The School is generally no longer subject to examination by the Internal Revenue Service three years after a return was due or filed.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13. Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

14. Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance - amounts that are not spendable (such as inventory and prepaid expense) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the School itself, using its highest level of decision-making authority (i.e., Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the School takes the same highest level of action to remove or change the constraint.

Assigned fund balance - amounts the School intends to use for a specific purpose. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. No other fund except the General Fund can report positive amounts of unassigned fund balance.

The School would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

15. Impact of recently issued accounting principle

In June 2017, the GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting. This statement is effective for the School's June 30, 2022 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the School's financial statements.

NOTE B - CASH AND CASH EQUIVALENTS

1. Custodial credit risk

Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The deposits are insured by the FDIC up to \$250,000 per entity. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the School pursuant to Section 280.08, Florida Statutes. As of June 30, 2021 none of the School's balances held in banks were exposed to custodial credit risk.

2. Restricted cash

The restricted cash balance pertaining to the bond issuances are held by an institutional trustee in accordance with the terms of the trust indenture. As of June 30, 2021 the balance of the School's restricted cash consisted of the following:

Reserve Account	\$ 2,075,847
Capitalized Interest Account	741,043
Sinking Account	173,340
Interest Account	148,110
Bond Revenue Fund	34,757
Principal Account	136
Administration Fund	21
	<hr/>
	<u>\$ 3,173,254</u>

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE B - CASH AND CASH EQUIVALENTS (continued)

2. Restricted cash (continued)

Bond revenue fund - The bond revenue fund is a fund into which pledged revenues are initially placed and from which the funds for all other funds are drawn.

Interest account - Interest payments paid by the trustee to investors are made on a semi-annual basis but received by the trustee on a monthly basis. The interest account holds those interest payments on behalf of the School until disbursed by the trustee to investors on a semi-annual basis.

Reserve account - The reserve account is a fund in which amounts are placed to be applied to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements.

Capitalized issuance account - The capitalized issuance accounts are accounts under the bond contract in which a portion of the bond proceeds are deposited to pay capitalized interest on the bonds.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE C - CAPITAL ASSETS

Changes in capital assets are as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Capital assets not being depreciated or amortized				
Construction in progress	\$ 8,552,785	\$ 3,444,821	\$ (11,997,606)	\$ -
Land	3,581,082	-	-	3,581,082
Total assets not being depreciated or amortized	<u>12,133,867</u>	<u>3,444,821</u>	<u>(11,997,606)</u>	<u>3,581,082</u>
Capital assets depreciated and amortized:				
Buildings and fixed equipment	13,634,790	12,075,207	-	25,709,997
Computer software	5,249	-	-	5,249
Furniture, fixtures and equipment	378,606	267,324	-	645,930
Total assets depreciated and amortized	<u>14,018,645</u>	<u>12,342,531</u>	<u>-</u>	<u>26,361,176</u>
Less accumulated depreciation and amortization:				
Buildings and fixed equipment	(907,141)	(630,621)	-	(1,537,762)
Computer software	(2,900)	(1,049)	-	(3,949)
Furniture, fixtures and equipment	(266,285)	(50,571)	-	(316,856)
Total accumulated depreciation and amortization	<u>(1,176,326)</u>	<u>(682,241)</u>	<u>-</u>	<u>(1,858,567)</u>
Total governmental activities capital assets, net	<u>\$ 24,976,186</u>	<u>\$ 15,105,111</u>	<u>\$ (11,997,606)</u>	<u>\$ 28,083,691</u>

Depreciation and amortization expense of \$51,620 was charged to basic instruction and \$630,621 was charged to facilities.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE D - LONG-TERM LIABILITIES

Long-term liabilities consisted of the following activity for the year ended June 30, 2021:

	Balance at July 1, 2020	Additions	Reductions	Balance at June 30, 2021	Due within one year
Series 2017 bond	\$18,333,333	\$ -	\$ (256,667)	\$ 18,076,666	\$ 266,667
Series 2017 bond discount	(61,243)	-	1,899	(59,344)	(1,899)
Series 2019 bond	14,585,000	-	-	14,585,000	-
Series 2019 bond premium	666,273	-	(21,207)	645,066	21,207
Bond total	33,523,363	-	(275,975)	33,247,388	285,975
PPP loan	904,920	-	(904,920)	-	-
Accrued compensation	14,350	21,400	(18,300)	17,450	17,450
Total long-term liabilities	<u>\$34,442,633</u>	<u>\$ 21,400</u>	<u>\$(1,199,195)</u>	<u>\$ 33,264,838</u>	<u>\$ 303,425</u>

1. Compensated absences

Compensated absences in the governmental activities are classified as non-current liabilities and are typically liquidated by the general fund.

2. Series 2017 Bond

On November 1, 2017, the School entered into a loan agreement with Capital Trust Agency ("CTA") to borrow funds in order to acquire the land and educational facilities utilized by the School. CTA authorized the issuance of its educational facilities revenue bonds (Series 2017A and Taxable Series 2017B) in the aggregate principal amount of \$18,500,000. CTA agreed to loan to the School the proceeds received by CTA from the sale of the Series 2017 bonds. The proceeds are to be deposited with the trustee and applied as provided by the indenture. An amount necessary from the gross revenues are to be transferred from the School revenue fund on a monthly basis to pay the loan repayments on or before the tenth day of each month starting December 10, 2017.

The interest rate varies between 4.0% and 5.5% over the duration of the loan and interest payments are due each October 15 and April 15, commencing on April 15, 2018. Principal payment dates occur on each October 15 of each year commencing on October 15, 2020.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE D - LONG-TERM LIABILITIES (continued)

2. Series 2017 Bond (continued)

The following is a schedule of future minimum payments for the Series 2017A and Taxable Series 2017B bonds for the years ending June 30,

	Principal	Interest	Total
2022	\$ 266,667	\$ 880,442	\$ 1,147,109
2023	280,000	867,850	1,147,850
2024	291,667	856,000	1,147,667
2025	301,667	844,333	1,146,000
2026	315,000	832,267	1,147,267
2027-2031	1,780,000	3,959,567	5,739,567
2032-2036	2,240,000	3,497,167	5,737,167
2037-2041	2,858,333	2,878,833	5,737,166
2042-2046	3,646,667	2,088,833	5,735,500
2047-2051	4,655,000	1,081,333	5,736,333
2052-2053	1,441,665	90,333	1,531,998
	\$ 18,076,666	\$ 17,876,958	\$ 35,953,624

3. Series 2019 Bond

On November 1, 2019, the loan agreement between the School and CTA was amended and supplemented in order for CTA to make an additional loan to the School in the amounts of \$14,340,000 (Series 2019A) and \$245,000 (Series 2019B). CTA issued its Series 2019 bonds and loaned the proceeds to the School for the expansion of its facilities. The proceeds are to be deposited with the trustee and applied as provided by the indenture.

The interest rate varies between 4.0% and 5.5% over the duration of the loan. Interest payments are due each April 15 and October 15, commencing on April 4, 2020. Principal payment dates occur on each October 15 of each year commencing on October 15, 2023.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE D - LONG-TERM LIABILITIES (continued)

3. Series 2019 Bond (continued)

The following is a schedule of future minimum payments for the Series 2019A and Taxable Series 2019B bonds for the years ending June 30,

	Principal	Interest	Total
2022	\$ -	\$ 717,025	\$ 717,025
2023	116,667	717,025	833,692
2024	205,833	711,308	917,141
2025	215,833	701,231	917,064
2026	222,917	691,817	914,734
2027-2031	1,262,083	3,316,475	4,578,558
2032-2036	1,601,667	2,988,396	4,590,063
2037-2041	2,061,250	2,544,167	4,605,417
2042-2046	2,645,833	1,973,042	4,618,875
2047-2051	3,394,167	1,240,646	4,634,813
2052-2055	2,858,750	327,104	3,185,854
	\$ 14,585,000	\$ 15,928,236	\$ 30,513,236

4. Debt service coverage ratio

As a part of both the 2017 and 2019 Series Bonds, the School must have a long term debt service coverage ratio of at least 1.10 to 1.00. For the fiscal year ended June 30, 2021, the School's long term debt service coverage ratio was 1.13. Until the Series 2017 bonds are no longer outstanding, the School agrees to have cash on hand on each June 30 (the "Testing Date") in an amount not less than 60 days cash on hand as of the Testing Date. For the fiscal year ended June 30, 2021, the School's days cash on hand was 118.

5. PPP loan

On June 1, 2020, the School received loan proceeds in the amount of \$904,920 under the PPP. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE D - LONG-TERM LIABILITIES (continued)

5. PPP loan (continued)

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The School used the proceeds for purposes consistent with the PPP and the entire amount was forgiven during the year ended and is reflected as revenue in the accompanying financial statements.

NOTE E - CONCENTRATIONS

As stated in Note A-11, the School receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources and amounts:

Sources	Amounts
School Board of Brevard County, Florida	
Base funding	\$ 5,789,260
Class size reduction	1,514,861
ESE guaranteed allocation	307,965
Discretionary millage	616,100
Supplemental academic instruction	354,459
Reading allocation	54,630
Funding compression allocation	15,295
Transportation	128,804
Discretionary compression	130,569
Instructional materials allocation	93,407
Safe schools	81,619
Teacher salary increase	203,906
Mental health allocation	45,210
Library media allocation	6,214
Digital classroom allocation	2,168
Florida teachers lead	22,963
Proration allocation	(12,857)
Capital outlay	673,105
Other	22,963
Total State passed through School Board of Brevard County, Florida	10,050,641
Operating grants and contributions	387,669
Paycheck Protection Program loan forgiveness	904,920
Other revenues	474,165
Total revenues	\$ 11,817,395

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE F - COMMITMENTS AND CONTINGENCIES

1. Management service contract

The School entered into a service agreement, commencing on October 17, 2012, with Charter School Associates, Inc. (the "management company"). The management company provides management and oversight, contracted finance/accounting, contracted HR/payroll, and development services to the School. Current year management fees charged to operations totaled \$282,595 for management and oversight and \$424,347 for finance/accounting/HR/payroll. The fees for the management and oversight, contracted finance/accounting/HR/payroll are based on 4%, 2.75% and 2.25%, respectively, of FEFP revenue received from the District and does not contain a clause for specific benchmarks. As of June 30, 2021 the school has \$69,171 due to the management company.

2. Operating leases

The School has entered into various leases for equipment and storage space, these leases have terms ending throughout 2023. All non-cancellable leases have been determined to be operating leases. The lease expense for the year ended June 30, 2021 was \$55,016.

The following is a schedule of all future minimum lease payments for the years ending June 30:

2022	\$	46,039
2023		<u>6,387</u>
Total	\$	<u><u>52,426</u></u>

3. Legal

The School may be involved in legal actions arising from the normal course of activities and is also subject to periodic audits and inquiries by various regulatory agencies. Management is not aware of any pending or threatened litigation, claims or unasserted claims or assessments that may have a material effect on the School's financial statements.

4. COVID-19

As a result of the spread of COVID-19, economic uncertainties have arisen which are affecting large segments of the economy, including charter schools. Management is not able to assess what the long-term effects of these uncertainties will be, but the School has taken steps to continuously monitor grant revenue, operations, liquidity, and employee and student welfare to adjust operations as necessary.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2021

NOTE G - RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. Under the property insurance policy, the School's liability is \$5,000 deductible per incident. There have been no significant reductions in insurance coverage during fiscal year 2021. Settled claims resulting from the risks described above have not exceeded the insurance coverage for the previous year.

NOTE H - SUBSEQUENT EVENTS

The School has evaluated subsequent events through September 30, 2021 the date which the financial statements were available for issuance, and has determined that no additional material events occurred that would require additional disclosures in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Viera Charter School
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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
State passed through school district	\$ 9,515,371	\$ 9,339,746	\$ 9,339,746	\$ -
Federal through state	50,712	-	-	-
Other fees	374,833	-	-	-
Miscellaneous	74,312	99,154	99,154	-
Total revenues	<u>10,015,228</u>	<u>9,438,900</u>	<u>9,438,900</u>	<u>-</u>
Expenditures				
Current:				
Basic instruction	4,940,993	5,383,771	5,383,771	-
Exceptional instruction	247,740	273,932	273,932	-
Guidance services	65,530	71,696	71,696	-
Health services	10,021	64,237	64,237	-
Media services	-	21,240	21,240	-
Instruction and curriculum development services	150,661	93,746	93,746	-
Instructional staff training services	11,277	6,166	6,166	-
Instruction related technology	162,842	163,483	163,483	-
Board	92,457	106,969	106,969	-
General administration	460,271	411,881	411,881	-
School administration	764,280	671,466	671,466	-
Fiscal services	466,168	427,055	427,055	-
Student transportation services	323,136	484,839	484,839	-
Facilities	15,000	10,172	10,172	-
Operation of plant	605,321	1,092,730	1,092,730	-
Maintenance of plant	86,349	139,994	139,994	-
Total expenditures	<u>8,402,046</u>	<u>9,423,377</u>	<u>9,423,377</u>	<u>-</u>
Excess of revenues over expenditures	1,613,182	15,523	15,523	-
Other financing sources and uses:				
Transfers in	-	10,318	10,318	-
Transfers out	(1,233,027)	(1,012,057)	(1,012,057)	-
Net change in fund balance	380,155	(986,216)	(986,216)	-
Fund balance at the beginning of the year	3,918,338	3,918,338	3,918,338	-
Fund balance at the end of the year	<u>\$ 4,298,493</u>	<u>\$ 2,932,122</u>	<u>\$ 2,932,122</u>	<u>\$ -</u>

See accompanying note to the required supplementary information.

Viera Charter School
(A division of Viera Charter Schools, Inc. and a Component Unit of the School
Board of Brevard County, Florida)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND
ACTUAL - DEBT SERVICE FUND

For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
State passed through school district	\$ 663,000	\$ 673,105	\$ 673,105	\$ -
Interest income	-	1,336	1,336	-
Total revenues	663,000	907,700	907,700	-
Expenditures				
Current:				
Board	11,181	22,395	22,395	-
Fiscal services	29,777	-	-	-
Facilities	3,627,636	2,661,319	2,661,319	-
Debt service:				
Principal	256,667	256,667	256,667	-
Interest	1,609,583	1,639,360	1,639,360	-
Total expenditures	5,534,844	4,579,741	4,579,741	-
Deficiency of revenues under expenditures	(4,871,844)	(3,672,041)	(3,672,041)	-
Other financing sources and uses:				
Transfers in	1,233,027	1,012,057	1,012,057	-
Net change in fund balance	(3,638,817)	(2,659,984)	(2,659,984)	-
Fund balance at the beginning of the year	5,052,814	5,052,814	5,052,814	-
Fund balance at the end of the year	\$ 1,413,997	\$ 2,392,830	\$ 2,392,830	\$ -

See accompanying note to the required supplementary information.

Viera Charter School
(A division of Viera Charter Schools, Inc. and a Component Unit of the School Board of
Brevard County, Florida)

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended June 30, 2021

NOTE A - BUDGETARY BASIS OF ACCOUNTING

The School's annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for the general fund may be amended by the Board of Trustees (the "Board"). The budgets presented for the fiscal year ended June 30, 2021, have been amended according to Board procedures.

Budgets are presented on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

COMPLIANCE INFORMATION

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

To the Board of Trustees
Viera Charter Schools, Inc.
Viera, 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 Viera Charter School (the "School"), a division of Viera Charter Schools, Inc. (the "Charterholder"), a component unit of the School Board of Brevard County, Florida (the "District"), 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 30, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 30, 2021
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

MANAGEMENT LETTER

To the Board of Trustees
Viera Charter Schools, Inc.
Viera, Florida

Report on the Financial Statements

We have audited the financial statements of Viera Charter School (the “School”), a division of Viera Charter Schools, Inc. (the “Charterholder”), a component unit of the School Board of Brevard County, Florida (the “District”), as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 30, 2021.

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 Auditor’s 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 this report, which is dated September 30, 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. In connection with our audit, the School did not have prior year findings or recommendations.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that 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 is Viera Charter School, a division of Viera Charter Schools, Inc., a not-for-profit corporation and the School code is 6540.

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 Viera Charter 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 review of financial information provided by same.

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 us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

September 30, 2021
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP