

**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, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 School's internal control over financial reporting and compliance.

September 30, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
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, 2022 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 \$985,106 for a net position.
- The School's total net position increased by \$599,194.
- As of the close of the current fiscal year, the School's governmental funds reported a combined ending fund balances of \$6,162,303.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,290,975.
- The School recognized revenue related to the Elementary and Secondary School Emergency Relief funds ("ESSER II" and "ESSER ARP") in the amount of \$2,271,690.

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).

Overview of the Financial Statements (continued)

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 the 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.

Overview of the Financial Statements (continued)

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, 2022 and 2021, assets exceeded liabilities by \$985,106 and \$389,912 (net position), 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 \$2,135,092 at June 30, 2022. Comparison of the condensed statement of net position and the statement of activities are provided below:

Statement of Net Position

	Governmental Activities		
	2022	2021	Variance
ASSETS			
Current assets	\$ 8,015,997	\$ 6,694,141	\$ 1,321,856
Capital assets, net	27,798,768	28,083,691	(284,923)
Total assets	<u>35,814,765</u>	<u>34,777,832</u>	<u>1,036,933</u>
LIABILITIES			
Current liabilities	2,284,221	1,430,507	853,714
Noncurrent liabilities	32,545,438	32,961,413	(415,975)
Total liabilities	<u>34,829,659</u>	<u>34,391,920</u>	<u>437,739</u>
NET POSITION			
Net investment in capital assets	(2,135,092)	(1,138,054)	(997,038)
Restricted	2,461,139	3,173,254	(712,115)
Unrestricted	659,059	(1,649,288)	2,308,347
Total net position	<u>\$ 985,106</u>	<u>\$ 385,912</u>	<u>\$ 599,194</u>

The increase in current assets is due to ESSER grant expenditures pending to be reimbursed by the district. The decrease in capital assets is due to depreciation expense. The increase in current liabilities is due to payroll accrual and due to the expansion of the facilities. The decrease in noncurrent liabilities is due to payments on the 2020 bonds.

Government-Wide Financial Analysis

Statement of Activities

	Governmental Activities		
	2022	2021	Variance
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 2,316,141	\$ 387,669	\$ 1,928,472
General revenues:			
State passed through school district	11,691,756	10,050,641	1,641,115
Paycheck Protection Program ("PPP")			
loan forgiveness	-	904,921	(904,921)
Other revenues	511,190	474,165	37,025
Total revenues	<u>14,519,087</u>	<u>11,817,396</u>	<u>2,701,691</u>
Expenses:			
Basic instruction	7,002,606	5,523,814	1,478,792
Exceptional instruction	318,089	274,169	43,920
Guidance services	76,534	71,696	4,838
Health services	76,413	68,200	8,213
Media services	3,540	13,931	(10,391)
Instruction and curriculum development services	225,158	115,843	109,315
Instructional staff training services	23,457	11,391	12,066
Instruction related technology	163,475	133,475	30,000
Board	112,064	129,364	(17,300)
General administration	416,721	411,881	4,840
School administration	820,723	664,475	156,248
Student transportation	490,722	486,291	4,431
Fiscal services	447,380	427,055	20,325
Facilities	886,031	740,082	145,949
Operation of plant	919,466	1,057,611	(138,145)
Maintenance of plant	308,371	149,481	158,890
Interest on long-term obligations	1,627,244	885,804	741,440
Debt issuance cost	1,899	1,899	-
Total expenses	<u>13,919,893</u>	<u>11,166,462</u>	<u>2,753,431</u>
Change in net position	599,194	650,934	(51,740)
Net position at the beginning of the year	385,912	(265,022)	650,934
Net position at the end of the year	<u>\$ 985,106</u>	<u>\$ 385,912</u>	<u>\$ 599,194</u>

Government-Wide Financial Analysis (continued)

The increase in Operating grants is due to COVID related grant opportunities such as the Elementary and Secondary School Emergency Relief fund (“ESSER”). The increase in state revenue passed through the School district is primarily attributable to building expansion and additional students resulting in the School receiving Education Stabilization funds which were not received in prior years. The decrease in PPP loan is due to the forgiveness of the PPP loan.

The increase in basic instruction and administration expenses is due to additional students served as a result of the building expansion. The increase in instruction and curriculum development series is due to additional support personnel due to additional students served. The increase in facilities is due to building expansion. The decrease in the operations of plant is due to mainly to a change in vendor for cleaning the facility. The increase in the maintenance of plant is due to building expansion. The increase in Interest on long-term obligations is mainly due to commencement of interest payments for 2019 bond.

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 \$6,162,303.

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 \$3,290,975.

During the current fiscal year, the fund balance of the School’s general fund increased by \$478,670.

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, 2022, amounts to \$27,798,768 , 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, 2022 totaled \$32,961,413, a decrease of \$285,975 from the prior fiscal year due to the payments made on the Series 2017 and 2019 bonds. Additional information on the School’s long-term obligations can be found in Note D.

Capital Asset and Debt Administration (continued)

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 1,560 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, 2022

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents - unrestricted	\$ 3,705,300
Cash and cash equivalents - restricted	2,461,139
Due from other agencies	1,628,261
Due from other schools	90,032
Prepaid expenses	131,265
Total current assets	8,015,997
CAPITAL ASSETS	
Capital assets not being depreciated	
Land	3,581,082
Capital assets, net	
Buildings and fixed equipment, net	23,674,322
Furniture, fixtures and equipment, net	543,114
Computer software, net	250
Total capital assets	27,798,768
Total assets	35,814,765
LIABILITIES	
Accounts payable	829,227
Accrued interest payable	438,012
Accrued payroll	586,457
Long-term liabilities - due within one year	
Accrued compensation	14,550
Bonds payable	415,975
Total current liabilities	2,284,221
Long-term liabilities - due in more than one year	
Bonds payable, net	32,545,438
Total liabilities	34,829,659
NET POSITION	
Net investment in capital assets	(2,135,092)
Restricted	2,461,139
Unrestricted	659,059
Total net position	\$ 985,106

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, 2022

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	\$ 7,002,606	\$ -	\$ 2,316,141	\$ -	\$ (4,686,465)
Exceptional instruction	318,089	-	-	-	(318,089)
Guidance services	76,534	-	-	-	(76,534)
Health services	76,413	-	-	-	(76,413)
Media services	3,540	-	-	-	(3,540)
Instruction and curriculum development services	225,158	-	-	-	(225,158)
Instructional staff training services	23,457	-	-	-	(23,457)
Instruction related technology	163,475	-	-	-	(163,475)
Board	112,064	-	-	-	(112,064)
General administration	416,721	-	-	-	(416,721)
School administration	820,723	-	-	-	(820,723)
Student transportation	490,722	-	-	-	(490,722)
Fiscal services	447,380	-	-	-	(447,380)
Facilities	886,031	-	-	-	(886,031)
Operation of plant	919,466	-	-	-	(919,466)
Maintenance of plant	308,371	-	-	-	(308,371)
Interest on long-term obligations	1,627,244	-	-	-	(1,627,244)
Debt issuance cost	1,899	-	-	-	(1,899)
Total governmental activities	\$ 13,919,893	\$ -	\$ 2,316,141	\$ -	(11,603,752)
General revenues:					
State passed through school district					11,691,756
Other revenues					511,190
Total general revenues					12,202,946
Change in net position					599,194
Net position at the beginning of the year					385,912
Net position at the end of the year					<u>\$ 985,106</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)

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2022

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	\$ 3,338,653	\$ -	\$ 366,647	\$ 3,705,300
Cash and cash equivalents - restricted	-	2,461,139	-	2,461,139
Due from other agencies	-	67,927	1,560,333	1,628,260
Due from other schools	90,032	-	-	90,032
Due from other funds	1,399,990	369,992	317,422	2,087,404
Prepaid expenses	51,797	-	79,471	131,268
Total assets	\$ 4,880,472	\$ 2,899,058	\$ 2,323,873	\$ 10,103,403
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 511,804	\$ -	\$ 317,423	\$ 829,227
Interest and fees payable	-	438,012	-	438,012
Accrued payroll	586,457	-	-	586,457
Due to other funds	371,419	67,927	1,648,058	2,087,404
Total liabilities	1,469,680	505,939	1,965,481	3,941,100
FUND BALANCES				
Nonspendable				
Prepaid expenses	51,797	-	-	51,797
Restricted	68,020	2,393,119	-	2,461,139
Unassigned	3,290,975	-	358,392	3,649,367
Total fund balances	3,410,792	2,393,119	358,392	6,162,303
Total liabilities and fund balances	\$ 4,880,472	\$ 2,899,058	\$ 2,323,873	\$ 10,103,403

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, 2022

Fund balances - total governmental funds \$ 6,162,303

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	23,674,322	
Furniture, fixtures and equipment, net	543,114	
Computer software, net	<u>250</u>	
Total capital assets, net		27,798,768

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		(14,552)
Bonds principal	(32,394,999)	
Bonds discount	57,445	
Bond premium	<u>(623,859)</u>	
Total bonds payable, net		<u>(32,961,413)</u>
Total net position of governmental activities		<u><u>\$ 985,106</u></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, 2022

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
State passed through school district	\$ 9,836,799	\$ 1,778,357	\$ 76,600	\$ 11,691,756
Federal through school district	-	-	2,316,143	2,316,143
Interest income	-	290	-	290
Miscellaneous	127,103	-	362,590	489,693
Total revenues	9,963,902	1,778,647	2,755,333	14,497,882
Expenditures				
Current:				
Basic instruction	5,209,707	-	1,701,144	6,910,851
Exceptional instruction	258,401	-	59,451	317,852
Guidance services	65,154	-	11,284	76,438
Health services	75,781	-	728	76,509
Media services	107	-	-	107
Curriculum development services	124,932	-	100,226	225,158
Instructional staff training services	1,529	-	21,928	23,457
Instruction related technology	129,690	-	11,004	140,694
Board	83,369	26,695	2,000	112,064
General administration	416,721	-	-	416,721
School administration	761,850	-	54,464	816,314
Fiscal services	447,380	-	-	447,380
Student transportation services	490,614	-	108	490,722
Facilities	2,084	-	244,305	246,389
Operation of plant	895,933	-	13,206	909,139
Maintenance of plant	297,023	-	11,044	308,067
Capital outlay:				
Other capital outlay	149,299	-	341,566	490,865
Debt service:				
Principal	-	266,667	-	266,667
Interest	-	1,627,244	-	1,627,244
Total expenditures	9,409,574	1,920,606	2,572,458	13,902,638
Excess (deficiency) of revenues over (under) expenditures	554,328	(141,959)	182,875	595,244
Other financing sources and uses:				
Transfers in	66,590	142,248	-	208,838
Transfers out	(142,248)	-	(66,590)	(208,838)
Net change in fund balances	478,670	289	116,285	595,244
Fund balances at the beginning of the year	2,932,122	2,392,830	242,107	5,567,059
Fund balances at the end of the year	\$ 3,410,792	\$ 2,393,119	\$ 358,392	\$ 6,162,303

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, 2022

Net change in fund balances - total government funds	\$	595,244
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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	\$	490,865	
Depreciation and amortization expense		<u>(775,788)</u>	
			(284,923)

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.

Amortization of bonds payable discount		(1,899)	
Amortization of bonds payable premium		21,207	
Principal payments on long term-debt		266,667	

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>2,898</u>	
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Change in net position of governmental activities	\$	<u><u>599,194</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
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

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.

Viera Charter School
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

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.

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.

Viera Charter School
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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, 2022, the School's due from consist of amounts due from the School's food services sponsor (a separate charter organization), and other governmental agencies. As of June 30, 2022, the School is owed \$1,628,261 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.

Viera Charter School
(A Division of Viera Charter Schools, Inc. and a Component Unit of the School
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Prepaid expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2022, 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 \$5,000 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

8. Long-lived assets

The School evaluates its long-lived assets for indicators of possible impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The School compares the carrying amount to estimated future net undiscounted cash flows expected to be generated by such assets. Should an impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's fair value. Management has determined that there was no impairment for 2022.

9. 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.

Viera Charter School
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. 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.

11. 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.

12. 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. The School was awarded ESSER II funds.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

12. Revenue sources (continued)

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

13. 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.

14. 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.

15. 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.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

15. Fund balance classification (continued)

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.

16. Impact of recently issued accounting principles

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for the School's June 30, 2025 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the School's financial statements.

17. Statement No. 87, Leases ("GASB 87")

In June 2017, the Governmental Accounting Standards Board 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. There was no impact during the adoption of this statement on the School's financial statements.

Viera Charter School
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

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, 2022 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, 2022 the balance of the School's restricted cash consisted of the following:

Reserve Account	\$ 2,063,562
Capitalized Interest Account	24,141
Sinking Account	94,178
Interest Account	150,605
Bond Revenue Fund	40,173
Principal Account	86,805
Administration Fund	1,675
	<u>\$ 2,461,139</u>

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.

Viera Charter School
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

NOTE B - CASH AND CASH EQUIVALENTS (continued)

2. Restricted cash (continued)

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.

Principal account - The principal accounts are accounts under the bond contract in which a portion of the principal payments are deposited to pay principal on the bonds.

Sinking account - The sinking account are accounts under the bond contract in which a portion of the principal payments are deposited to pay principal on the bonds.

Admin account - The admin account are accounts under the bond contract for the purpose of paying costs associated with administration of the bond.

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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

NOTE C - CAPITAL ASSETS

Changes in capital assets are as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Capital assets not being depreciated or amortized				
Land	\$ 3,581,082	\$ -	\$ -	\$ 3,581,082
Total assets not being depreciated or amortized	<u>3,581,082</u>	<u>-</u>	<u>-</u>	<u>3,581,082</u>
Capital assets depreciated and amortized:				
Buildings and fixed equipment	25,709,997	145,006	-	25,855,003
Computer software	5,249	-	-	5,249
Furniture, fixtures and equipment	645,930	345,859	-	991,789
Total assets depreciated and amortized	<u>26,361,176</u>	<u>490,865</u>	<u>-</u>	<u>26,852,041</u>
Less accumulated depreciation and amortization:				
Buildings and fixed equipment	(1,537,762)	(642,919)	-	(2,180,681)
Computer software	(3,949)	(1,050)	-	(4,999)
Furniture, fixtures and equipment	(316,856)	(131,819)	-	(448,675)
Total accumulated depreciation and amortization	<u>(1,858,567)</u>	<u>(775,788)</u>	<u>-</u>	<u>(2,634,355)</u>
Total governmental activities capital assets, net	<u>\$ 28,083,691</u>	<u>\$ (284,923)</u>	<u>\$ -</u>	<u>\$ 27,798,768</u>

Depreciation and amortization expense of \$136,146 was charged to basic instruction and \$639,642 was charged to facilities.

Viera Charter School
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

NOTE D - LONG-TERM LIABILITIES

Long-term liabilities consisted of the following activity for the year ended June 30, 2022:

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022	Due within one year
Series 2017 bond	\$ 18,076,666	\$ -	\$ (266,667)	\$ 17,809,999	\$ 280,000
Series 2017 bond discount	(59,344)	-	1,899	(57,445)	(1,899)
Series 2019 bond	14,585,000	-	-	14,585,000	116,667
Series 2019 bond premium	645,066	-	(21,207)	623,859	21,207
Bond total	33,247,388	-	(285,975)	32,961,413	415,975
Accrued compensation	17,450	9,300	(12,200)	14,550	14,550
Total long-term liabilities	<u>\$ 33,264,838</u>	<u>\$ 9,300</u>	<u>\$ (298,175)</u>	<u>\$ 32,975,963</u>	<u>\$ 430,525</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.

Viera Charter School
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

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
2023	\$ 280,000	\$ 867,850	\$ 1,147,850
2024	291,666	856,000	1,147,666
2025	301,667	844,333	1,146,000
2026	315,000	832,267	1,147,267
2027	326,667	819,667	1,146,334
2028-2032	1,858,333	3,881,983	5,740,316
2033-2037	2,351,667	3,358,167	5,709,834
2038-2042	3,001,666	2,735,917	5,737,583
2043-2047	3,828,333	1,906,500	5,734,833
2048-2052	4,890,000	848,583	5,738,583
2053	365,000	18,250	383,250
	\$ 17,809,999	\$ 16,969,517	\$ 34,779,516

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.

Viera Charter School
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

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
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	230,833	682,900	913,733
2028-2032	1,320,000	3,261,658	4,581,658
2033-2037	1,684,583	2,908,313	4,592,896
2038-2042	2,169,167	2,441,104	4,610,271
2043-2047	2,778,750	1,840,750	4,619,500
2048-2052	3,570,000	1,070,937	4,640,937
2053-2055	2,070,417	184,167	2,254,584
	\$ 14,585,000	\$ 15,211,210	\$ 29,796,210

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, 2022, the School's long term debt service coverage ratio was 2.36. 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, 2022, the School's days cash on hand was 117.

Viera Charter School
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

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	
FEFP	
Base funding	\$ 6,209,137
Class size reduction	1,326,787
ESE guaranteed allocation	317,577
Discretionary millage	649,387
Supplemental academic instruction	364,356
Reading allocation	55,398
Transportation	195,217
Discretionary compression	150,268
Instructional materials allocation	100,647
Safe schools	83,094
Teacher salary increase	235,505
Mental health allocation	54,131
Library media allocation	6,365
Digital classroom allocation	2,164
Student reserve allocation	79,159
Other FEFP	42,412
Total FEFP	9,871,604
Capital Outlay	718,627
Title II	41,795
Chater School Sales tax	1,059,730
Total State passed through School Board of Brevard County, Florida	11,691,756
Operating grants and contributions:	
IDEA	13,050
Title IV	31,401
ESSER II	953,392
ESSER ARP	1,318,298
Total Federal passed through School Board of Brevard County, Florida	2,316,141
Other revenues	511,190
Total revenues	\$ 14,519,087

Viera Charter School
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NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2022

NOTE F - ESSER

The Elementary and Secondary School Emergency Relief (ESSER) Fund was established as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. The CARES Act provided direct funding to state education agencies (SEA) and local education agencies (LEA) to address the impact COVID-19 has had, and in certain contexts continues to have, on elementary and secondary schools. Of the ESSER funding each state received, 90% was allocated directly to LEAs through formula grants with up to 10% reserved at the SEA level for statewide activities.

In December 2020, ESSER funding was expanded through the enactment of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. As with the initial ESSER I Fund established by the CARES Act, the central purpose of the second round of funding along with the American Relief Program funding ("ESSER II" and "ESSER ARP") was to provide direct funding to states and LEAs to address the areas most impacted by the disruption and closure of schools due to COVID-19. As of June 30, 2022, the School was reimbursed for \$953,392 in ESSER II expenses and submitted for additional reimbursement for \$202,269 and \$1,318,298 for ESSER II and ESSER ARP funds, respectively and recoded grant receivable for this amount.

NOTE G - 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 \$426,749 for management and oversight, \$269,516 for contracted finance/accounting, \$220,513 for HR/payroll, and \$44,179 credit for IT services. The fees for the management and oversight, contracted finance/accounting, and contracted 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, 2022 the School has \$94,429 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, 2022 was \$54,165. The future minimum lease payments for the June 30, 2022 was \$6,387.

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, 2022

NOTE G - COMMITMENTS AND CONTINGENCIES (continued)

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.

NOTE H - 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 I - SUBSEQUENT EVENTS

The School has evaluated subsequent events through September 30, 2022 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
(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 - GENERAL FUND

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
State passed through school district	\$ 10,078,158	\$ 9,836,799	\$ 9,836,799	\$ -
Miscellaneous	87,525	127,103	127,103	-
Total revenues	<u>10,165,683</u>	<u>9,963,902</u>	<u>9,963,902</u>	<u>-</u>
Expenditures				
Current:				
Basic instruction	5,505,560	5,209,707	5,209,707	-
Exceptional instruction	318,294	258,401	258,401	-
Guidance services	68,998	65,154	65,154	-
Health services	65,593	75,781	75,781	-
Media services	56,520	107	107	-
Instruction and curriculum development services	95,435	124,932	124,932	-
Instructional staff training services	6,248	1,529	1,529	-
Instruction related technology	162,255	129,690	129,690	-
Board	121,490	83,369	83,369	-
General administration	437,098	416,721	416,721	-
School administration	803,199	761,850	761,850	-
Fiscal services	504,723	447,380	447,380	-
Student transportation services	356,778	490,614	490,614	-
Facilities	-	2,084	2,084	-
Operation of plant	1,388,464	895,933	895,933	-
Maintenance of plant	141,440	297,023	297,023	-
Capital outlay	-	149,299	149,299	-
Total expenditures	<u>10,032,095</u>	<u>9,409,574</u>	<u>9,409,574</u>	<u>-</u>
Excess of revenues over expenditures	133,588	554,328	554,328	-
Other financing sources and uses:				
Transfers in	-	66,590	66,590	-
Transfers out	(413,105)	(142,248)	(142,248)	-
Net change in fund balance	<u>(279,517)</u>	<u>478,670</u>	<u>478,670</u>	<u>-</u>
Fund balance at the beginning of the year	<u>2,932,122</u>	<u>2,932,122</u>	<u>2,932,122</u>	<u>-</u>
Fund balance at the end of the year	<u>\$ 2,652,605</u>	<u>\$ 3,410,792</u>	<u>\$ 3,410,792</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
State passed through school district	\$ -	\$ 1,778,357	\$ 1,778,357	\$ -
Interest income	1,359	290	290	-
Total revenues	1,359	1,778,647	1,778,647	-
Expenditures				
Current:				
Board	22,395	26,695	26,695	-
Debt service:				
Principal	266,667	266,667	266,667	-
Interest	124,044	1,627,244	1,627,244	-
Total expenditures	413,106	1,920,606	1,920,606	-
Deficiency of revenues under expenditures	(411,747)	(141,959)	(141,959)	-
Other financing sources and uses:				
Transfers in	413,105	142,248	142,248	-
Net change in fund balance	1,358	289	289	-
Fund balance at the beginning of the year	2,392,830	2,392,830	2,392,830	-
Fund balance at the end of the year	\$ 2,394,188	\$ 2,393,119	\$ 2,393,119	\$ -

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, 2022

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, 2022, 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.

SINGLE AUDIT AND COMPLIANCE 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 Expenditures of Federal Awards

For the year ended June 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF EDUCATION/PASS THROUGH		
DISTRICT SCHOOL BOARD OF BREVARD COUNTY, FLORIDA		
Elementary and Secondary School Emergency Relief Fund	84.425D	\$ 1,964,931
Individuals with Disabilities Education Act	84.027	13,050
Title IV	84.424	<u>31,400</u>
		<u><u>\$ 2,009,381</u></u>

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activities of the School during its fiscal year June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2. INDIRECT COST RATE

The School did not elect to use the 10-percent de minimis indirect cost rate.

NOTE 3. SUB-RECIPIENTS

During the year ended June 30, 2022, the School had no sub-recipients.

NOTE 4. NONCASH ASSISTANCE AND OTHER

The School did not receive any noncash assistance, federal loans, or federally funded insurance during the year ended June 30, 2022.

See independent auditor's report.



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 the School, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise School's basic financial statements, and have issued our report thereon dated September 30, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 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 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.

September 30, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited 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")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2022. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School's compliance with the compliance requirements referred to above.

MELBOURNE

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Melbourne, FL 32940
321-757-2020

ORLANDO

255 South Orange Avenue, #1200
Orlando, FL 32801
407-841-8841

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

September 30, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2022

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weakness identified? **No**

Significant deficiency identified? **None reported**

Noncompliance material to financial statements noted? **No**

Federal Awards

Internal control over major program:

Material weakness identified? **No**

Significant deficiencies identified? **None reported**

Type of auditor's report issued on compliance for major program: **Unmodified**

There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).

The program tested as the major program is as follows:

<u>Assistance Listing Number</u>	<u>Name of Program</u>
84.425D	Elementary and Secondary School Relief fund

The threshold for distinguishing type A and B programs was **\$750,000**

Did the auditee qualify as a low-risk auditee? **Yes**

B. FINDINGS - FINANCIAL STATEMENTS

None in the current year.

C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS

None in the current year.

D. SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None in the prior year.

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, 2022, and have issued our report thereon dated September 30, 2022.

Auditor’s Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (uniform Guidance); 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*, Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance required by the Uniform Guidance, and Schedule of Findings and Questioned Costs. Disclosures in this report, which is dated September 30, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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, 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, 2022
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP