

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

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

JUNE 30, 2023

**DREAMERS ACADEMY CHARTER SCHOOL**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2023**

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

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

2022-2023

**BOARD OF DIRECTORS**

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

**SCHOOL ADMINISTRATION**

Dr. Cathy Rodriguez, Head of School



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Dreamers Academy Charter School  
Sarasota, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dreamers Academy Charter School (the "School"), a charter School under Dreamers Academy, Inc., as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Dreamers Academy Charter School, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated October 6, 2023 on our consideration of the School’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School’s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
October 6, 2023

**Management’s Discussion and Analysis**  
Dreamers Academy Charter School  
June 30, 3

The corporate officers of Dreamers Academy Charter School (the “School”) have prepared this narrative overview and analysis of the School’s financial activities for the fiscal year ended June 30, 2023, the School’s second year of operations.

**FINANCIAL HIGHLIGHTS**

1. In its first year of operations, the School had a positive fund balance at June 30, 2023 of \$5,911,802.
2. At year-end, the School had current assets of \$6,664,822, which includes cash of \$5,994,224 that is restricted for capital projects and related financing.

*Overview of the Financial Statements*

This discussion and analysis are intended to serve as an introduction to the School’s basic financial statements. The School’s financial statements for the year ended June 30, 2023 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

*Government-Wide Financial Statements*

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

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

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

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

*Fund Financial Statements*

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

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

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

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds, if applicable. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 12 - 15 of this report.

#### *Notes to Financial Statements*

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

The notes to the financial statements can be found on pages 16 – 25 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2023 and 2022 follows:

	Net Position	
	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 636,718	\$ 209,067
Restricted cash	5,994,224	15,310,232
Prepaid expenses	33,880	10,539
Capital assets, net	13,104,362	4,825,532
Right-of-use asset, net of amortization	-	774,277
Total Assets	<u>\$ 19,769,184</u>	<u>\$ 21,129,647</u>
<b>Liabilities and Net Position</b>		
Accounts and wages payable and accrued liabilities	\$ 188,300	\$ 132,112
Accrued interest payable	564,720	533,520
Right-of-use liability	-	752,932
Bonds payable, net	20,475,392	20,463,464
Total Liabilities	<u>21,228,412</u>	<u>21,882,028</u>
Net investment in capital assets	(7,371,030)	(15,616,587)
Restricted for debt service	2,299,871	3,460,632
Restricted for capital projects	3,129,633	11,316,080
Unrestricted	482,298	87,494
Total Net Position (Deficit)	<u>\$ (1,459,228)</u>	<u>\$ (752,381)</u>
Total Liabilities and Net Position	<u>\$ 19,769,184</u>	<u>\$ 21,129,647</u>



The fiscal year June 30, 2023 was the School's second full year of operations. At June 30, 2023, the School's total assets were \$19,769,184 and total liabilities were \$21,228,412. At June 30, 2023, the School reported a total net position deficit of \$1,459,228.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2023 and 2022 were as follows:

<b>REVENUES</b>	<u>2023</u>	<u>2022</u>
Program Revenues		
Federal passed through state	115,155	913,787
State capital outlay funding	33,883	48,153
General Revenues		
FEFP and other nonspecific revenue	3,222,535	1,932,736
Interest and other local revenue	417,068	156,999
Total Revenues	<u>\$ 3,928,091</u>	<u>\$ 3,051,675</u>
 <b>EXPENSES</b>		
Instruction	\$ 1,856,688	\$ 1,292,321
Instructional and curriculum support	19,088	160,651
General administration	140,988	96,440
School administration	454,283	359,191
Central services	9,130	12,930
School Board	117,641	92,598
Facilities acquisition and construction	7,074	-
Operation of plant	651,889	469,151
Maintenance of plant	9,651	47,594
Fiscal services	46,093	2,100
Transportation	45,669	87,831
Administrative technology services	500	6,340
Community services	20,140	31,570
Interest on long-term debt	1,244,176	580,564
Other debt service	11,928	489,032
Total Expenses	<u>\$ 4,634,938</u>	<u>\$ 3,728,313</u>
<b>Change in Net Position</b>	(706,847)	(676,638)
<b>Net Position (Deficit) at Beginning of Year</b>	(752,381)	(75,743)
<b>Net Position (Deficit) at End of Year</b>	<u>\$ (1,459,228)</u>	<u>\$ (752,381)</u>

The School's total revenues for the year ended June 30, 2023 were \$3,928,091 while its total expenses were \$4,634,938 for a net decrease of \$706,847 during its second year of operations. Total expenses include amortization expense of \$387,139 due to the implementation of GASB Statement No. 87, Leases, which requires entities to include a right-to-use asset and corresponding liability for the intangible right to use (lease) facilitates. The School terminated their lease during the year 2022-2023 and as a result will not be recording significant facility lease related expenses in the future as construction of their School facilities was completed subsequent to year-end.

## **ACCOMPLISHMENTS**

Dreamers Academy is the first dual-language school in Sarasota County. The School's mission is to develop bilingual, biliterate, and cross-cultural leaders of character within a caring environment that encourages family engagement and celebrates America. We follow the model of the Center for Applied Linguistics, currently used by the most successful Dual Language Programs across the country. The School has just completed its second year of operations with an enrollment of 306 students in Kindergarten through Third grade. The School's enrollment for the 2023-2024 is currently at 440 students from Kindergarten through Fourth grade.

During the School's second year of operations, the School had a full staff and the most diverse teacher cohort in the district, where 78% of teachers are fully bilingual and 60% teachers have graduate degrees. For family engagement, the school started the Parent Teacher Council (PTC) to support fundraising initiatives and events like fall festival, staff appreciation week, and spirit days for students. The School coordinated school wide events that have become traditions such as Literacy parade, Fun Run, and Field day. The School also partnered with Suncoast Remake Learning Day for a second time in a row and collaborated with community organizations like CreArte Latino Cultural Center, MCR Health, First 1000 Days Suncoast, Women's Resource Center, Sarasota County Libraries, SRQ Strong, The Literacy Council of Sarasota, Probinsky & Cole Attorneys at Law, CareerSource Suncoast, Girls Scouts of Gulfcoast Florida, Early Learning Coalition of Sarasota County, and radio stations 105.3 La Zeta and 99.1 FM. Multiple education institutions have toured the school to learn from its bilingual model, including Community Foundation, Selby Gardens, leadership from both Manatee and Sarasota School Districts, University of South Florida, University of Central Florida, and University of Florida. We also were awarded a grant for \$110,500 from Impact 100 SRQ to build our Biblioteca Tech Center to support our students' literacy initiatives. The School has become a United Way Suncoast strategic partner with the goal of achieving 100% grade level reading for our students and started an After School literacy enrichment and tutoring program to support the School's students and families.

## **SCHOOL LOCATION**

The School operates in the Sarasota area located at 1050 S. Tuttle Avenue Sarasota, FL 34237.

## **CAPITAL IMPROVEMENT REQUIREMENT**

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

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

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

## **GOVERNMENTAL FUNDS**

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

At the end of the fiscal year, the School's governmental funds had a decrease of \$8,952,404 and reported a combined fund balance of \$5,911,802 during its second year of operations.

## GOVERNMENTAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local district	\$ 3,296,014	\$ 3,222,535	\$ 3,222,535
State capital outlay funding	30,000	33,883	33,883
Federal passed through state	449,517	115,155	115,155
Local and other revenue	139,000	245,484	245,484
Interest income	40	311,034	311,034
<b>TOTAL REVENUES</b>	<b>\$ 3,914,531</b>	<b>\$ 3,928,091</b>	<b>\$ 3,928,091</b>
<b>EXPENDITURES</b>			
Instruction	\$ 1,924,938	\$ 1,856,688	\$ 1,856,688
Instructional support services	33,873	19,088	19,088
General administration	127,161	140,988	140,988
School administration	344,886	385,472	385,472
Central services	17,700	9,130	9,130
Board	77,000	117,641	117,641
Operation of plant	256,315	192,328	192,328
Maintenance of plant	58,200	9,651	9,651
Fiscal services	46,800	46,093	46,093
Transportation	110,582	41,169	41,169
Administrative technology services	7,000	500	500
Community services	91,506	20,140	20,140
Capital Outlay:	7,500	8,431,637	8,431,637
Debt service	406,557	1,609,970	1,609,970
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,510,018</b>	<b>\$ 12,880,495</b>	<b>\$ 12,880,495</b>
Net change in fund balance	\$ 404,513	\$ (8,952,404)	\$ (8,952,404)

The general and special revenue fund budgets for the year ending June 30, 2023, were developed based on the School’s anticipated revenues and expenditures and the expected student population for the School’s first year of operations. Total initial budgeted general fund revenues and expenditures were consistent with actual results. Over the course of the year, the School revised its budgets to actual for all funds. Refer to the budgetary comparison schedules on pages 26-28 for additional information.

## REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Dr. Cathy Rodriguez, Head of School, at 1050 S. Tuttle Ave. Sarasota, FL 34237.

**DREAMERS ACADEMY CHARTER SCHOOL**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
CURRENT ASSETS	
Cash and cash equivalents	\$ 636,718
Restricted cash	5,994,224
Prepaid expenses	33,880
TOTAL CURRENT ASSETS	<u>6,664,822</u>
CAPITAL ASSETS, NET	
Capital assets, net of accumulated depreciation	<u>13,104,362</u>
TOTAL CAPITAL ASSETS, NET	<u>13,104,362</u>
 TOTAL ASSETS	 <u><u>\$ 19,769,184</u></u>
<b>LIABILITIES AND NET POSITION</b>	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 10,779
Accrued payroll and related expenses	177,521
Accrued interest	564,720
TOTAL CURRENT LIABILITIES	<u>753,020</u>
 Bonds payable- long-term portion	 <u>20,475,392</u>
TOTAL LIABILITIES	<u>21,228,412</u>
NET POSITION (DEFICIT)	
Invested in capital assets, net of related debt	(7,371,030)
Restricted for debt service, net of accrued interest	2,299,871
Restricted for capital projects	3,129,633
Unrestricted	482,298.00
TOTAL NET POSITION (DEFICIT)	<u>(1,459,228)</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$ 19,769,184</u></u>

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

**DREAMERS ACADEMY CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>Functions</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Assets</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Governmental Activities:</b>					
Instruction	\$ 1,856,688	-	\$ 110,155	-	\$ (1,746,533)
Instructional and curriculum support	19,088	-	-	-	(19,088)
General administration	140,988	-	-	-	(140,988)
School administration	454,283	-	-	-	(454,283)
Central services	9,130	-	-	-	(9,130)
School Board	117,641	-	-	-	(117,641)
Facilities acquisition and construction	7,074	-	-	-	(7,074)
Operation of plant	651,889	-	5,000	33,883	(613,006)
Maintenance of plant	9,651	-	-	-	(9,651)
Fiscal services	46,093	-	-	-	(46,093)
Transportation	45,669	-	-	-	(45,669)
Administrative technology services	500	-	-	-	(500)
Community services	20,140	139,450	-	-	119,310
Interest on long-term debt	1,244,176	-	-	-	(1,244,176)
Other debt service	11,928	-	-	-	(11,928)
<b>Total Governmental Activities</b>	<b>\$ 4,634,938</b>	<b>\$ 139,450</b>	<b>\$ 115,155</b>	<b>\$ 33,883</b>	<b>\$ (4,346,450)</b>

**GENERAL REVENUES:**

Government grants not restricted to specific programs	3,222,535
Other revenue	106,034
Interest income	311,034
<b>Total general revenues</b>	<b>3,639,603</b>
Change in Net Position	(706,847)
<b>NET POSITION (DEFICIT) - BEGINNING</b>	<b>(752,381)</b>
<b>NET POSITION (DEFICIT) - ENDING</b>	<b>\$ (1,459,228)</b>

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

**DREAMERS ACADEMY CHARTER SCHOOL  
BALANCE SHEET- GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 613,850	\$ 22,868	\$ -	\$ -	\$ 636,718
Restricted cash	-	-	5,994,224	-	5,994,224
Prepaid expenses	33,880	-	-	-	33,880
Due from other funds	-	-	-	3,129,633	3,129,633
<b>TOTAL ASSETS</b>	<b><u>\$ 647,730</u></b>	<b><u>\$ 22,868</u></b>	<b><u>\$ 5,994,224</u></b>	<b><u>\$ 3,129,633</u></b>	<b><u>\$ 9,794,455</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 10,779	\$ -	\$ -	\$ -	\$ 10,779
Accrued payroll and related expenses	177,521	-	-	-	177,521
Accrued interest	-	-	564,720	-	564,720
Due to other funds	-	-	3,129,633	-	3,129,633
<b>TOTAL LIABILITIES</b>	<b><u>188,300</u></b>	<b><u>-</u></b>	<b><u>3,694,353</u></b>	<b><u>-</u></b>	<b><u>3,882,653</u></b>
<b>FUND BALANCE</b>					
Nonspendable	33,880	-	-	-	33,880
Restricted for:					
Debt service	-	-	2,299,871	-	2,299,871
Capital projects	-	-	-	3,129,633	3,129,633
Assigned	-	22,868	-	-	22,868
Unassigned	425,550	-	-	-	425,550
<b>TOTAL FUND BALANCE</b>	<b><u>459,430</u></b>	<b><u>22,868</u></b>	<b><u>2,299,871</u></b>	<b><u>3,129,633</u></b>	<b><u>5,911,802</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 647,730</u></b>	<b><u>\$ 22,868</u></b>	<b><u>\$ 5,994,224</u></b>	<b><u>\$ 3,129,633</u></b>	<b><u>\$ 9,794,455</u></b>

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

**DREAMERS ACADEMY CHARTER SCHOOL  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT  
OF NET POSITION  
JUNE 30, 2023**

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Total Fund Balance - Governmental Funds	\$	5,911,802
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		13,104,362
Long term liabilities are not due in the current period and, accordingly, are not reported as fund liabilities.		
	Bonds payable	<u>(20,475,392)</u>
Total Net Position - Governmental Activities	\$	<u><u>(1,459,228)</u></u>

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

**DREAMERS ACADEMY CHARTER SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Outlay Fund	Total Governmental Funds
<b>REVENUES</b>					
State passed through local school district	\$ 3,222,535	\$ -	\$ -	\$ -	\$ 3,222,535
Federal passed through state	-	115,155	-	-	115,155
State capital outlay funding	-	-	-	33,883	33,883
Local and other revenue	212,577	32,907	-	-	245,484
Interest income	-	-	311,034	-	311,034
<b>TOTAL REVENUES</b>	<b><u>3,435,112</u></b>	<b><u>148,062</u></b>	<b><u>311,034</u></b>	<b><u>33,883</u></b>	<b><u>3,928,091</u></b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Instruction	\$ 1,736,494	\$ 120,194	\$ -	-	\$ 1,856,688
Instructional support services	19,088	-	-	-	19,088
General administration	140,988	-	-	-	140,988
School administration	385,472	-	-	-	385,472
Central services	9,130	-	-	-	9,130
Board	117,641	-	-	-	117,641
Operation of plant	153,445	5,000	-	33,883	192,328
Maintenance of plant	9,651	-	-	-	9,651
Fiscal services	46,093	-	-	-	46,093
Transportation	41,169	-	-	-	41,169
Administrative technology services	500	-	-	-	500
Community services	20,140	-	-	-	20,140
<b>Capital Outlay:</b>					
Facilities acquisition and construction	17,571	-	-	8,414,066	8,431,637
<b>Debt service:</b>					
Principal retirement	365,794	-	-	-	365,794
Interest	-	-	1,244,176	-	1,244,176
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 3,063,176</u></b>	<b><u>\$ 125,194</u></b>	<b><u>\$ 1,244,176</u></b>	<b><u>\$ 8,447,949</u></b>	<b><u>\$ 12,880,495</u></b>
Change in fund balance before other financing sources	371,936	22,868	(933,142)	(8,414,066)	(8,952,404)
<b>OTHER FINANCING SOURCES</b>					
Transfers in (out)	-	-	(227,619)	227,619	-
<b>Total other financing sources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(227,619)</u></b>	<b><u>227,619</u></b>	<b><u>-</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>371,936</b>	<b>22,868</b>	<b>(1,160,761)</b>	<b>(8,186,447)</b>	<b>(8,952,404)</b>
Fund balance at beginning of year	87,494	-	3,460,632	11,316,080	14,864,206
<b>Fund balance at end of year</b>	<b><u>\$ 459,430</u></b>	<b><u>\$ 22,868</u></b>	<b><u>\$ 2,299,871</u></b>	<b><u>\$ 3,129,633</u></b>	<b><u>\$ 5,911,802</u></b>

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



**DREAMERS ACADEMY CHARTER SCHOOL  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

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Change in Fund Balance - Governmental Funds \$ (8,952,404)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as a depreciation expense. In addition, various transactions involving capital and right-of-use assets decrease or increase net position as follows:

Capital outlays	8,424,563
Depreciation expense	(145,733)
Amortization of right-of-use asset	(387,139)

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

Principal repayments	365,794
Amortization of deferred outflows	(11,928)

Change in Net Position of Governmental Activities	\$ (706,847)
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The accompanying notes are an integral part of this financial statement.

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

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**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Reporting Entity**

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

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

These financial statements are for the year ended June 30, 2023, when approximately 340 students were enrolled in grades Kindergarten through 3<sup>rd</sup> grade.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board (“GASB”).

**Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

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

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of Dreamers Academy Charter School, (the “School”) are prepared in accordance with generally accepted accounting principles (GAAP). The School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines*.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*.” On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Budgetary Basis Accounting**

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

Cash and Cash Equivalents

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

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

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$4,000 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	5 Years
Computer equipment and software	3-5 Years
Vehicles	5 Years
Building and improvements	30-40 Years

Compensated Absences

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

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

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

Government-wide Fund Net Position

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

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. This also includes any right-of-use assets, less related liabilities. The net investment in capital and right-of-use assets for the year ending June 30, 2023, was a deficit of \$7,371,030.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The total restricted net position for the year ending June 30, 2023 was \$5,429,504, which relates to the School’s bonds payable and capital projects.
- Unrestricted – all other net position is reported in this category.

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

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances

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

- Non-spendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2023, the School had \$33,880 in non-spendable fund balance.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2023, the School had \$5,429,504 in restricted fund balance, related to the School’s bonds payable and capital projects.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s Board of Directors. At June 30, 2023, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2023, the assigned fund balance of \$22,868 relates to the School’s Parent Teacher Council account for student and school activities.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

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

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Sarasota County (the “School Board”) pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

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

Use of Estimates

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

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through October 6, 2023, which is the date the financial statements were available to be issued.

NOTE 3 – DEPOSITS POLICY AND CREDIT RISK

It is the School’s policy to maintain its cash and cash equivalents in two major banks. Deposits are insured by the Federal Depository Insurance Corporation (“FDIC”) up to \$250,000 per depositor, per financial institution. As of June 30, 2023, bank balances held in financial institutions in excess of the FDIC limit totaled approximately \$6,000,000.

NOTE 4 - CAPITAL AND RIGHT-OF-USE ASSETS

Capital assets activity for the year ended June 30, 2023 is as follows:

	Balance 7/1/2022	Additions	Disposals	Balance 6/30/2023
Capital Assets				
Land	\$ 1,516,525	\$ -	\$ -	\$ 1,516,525
Construction in progress	2,493,872	8,407,243	-	10,901,115
Building	656,127	-	-	656,127
Improvements to property	-	17,320	-	17,320
Furniture, fixtures, and equipment	92,320	-	-	92,320
Vehicles	22,500	-	-	22,500
Audiovisual materials and computer software	141,278	-	-	141,278
Total Capital Assets	\$ 4,922,622	\$ 8,424,563	\$ -	\$ 13,347,185
Less Accumulated Depreciation				
Building	\$ (36,211)	\$ (72,422)	\$ -	\$ (108,633)
Improvements to property	-	(3,254)	-	(3,254)
Furniture, fixtures, and equipment	(17,620)	(18,465)	-	(36,085)
Vehicles	(3,600)	(4,500)	-	(8,100)
Audiovisual materials and computer software	(39,659)	(47,092)	-	(86,751)
Total Accumulated Depreciation	\$ (97,090)	\$ (145,733)	\$ -	\$ (242,823)
Capital Assets, net	\$ 4,825,532	\$ 8,278,830	\$ -	\$ 13,104,362

For the year ended June 30, 2023, depreciation expense totaled \$145,733, of which \$68,811 was allocated to school administration, \$72,422 was allocated to operation of plant, and \$4,500 was allocated to transportation.

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

**NOTE 4 - CAPITAL AND RIGHT-OF-USE ASSETS (Continued)**

Changes in right-of-use assets, related to the School facility were as follows for the period ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Right-of-use Asset	\$ 1,096,892	\$ -	\$ (1,096,892)	\$ -
Total Capital Assets	<u>1,096,892</u>	<u>-</u>	<u>(1,096,892)</u>	<u>-</u>
Less Accumulated Amortization:				
Right-of-use Asset	(322,615)	(387,139)	709,754	-
Total Accumulated Amortization	<u>(322,615)</u>	<u>(387,139)</u>	<u>709,754</u>	<u>-</u>
Right-of-use asset, net	<u>\$ 774,277</u>	<u>\$ (387,139)</u>	<u>\$ (387,138)</u>	<u>\$ -</u>

Amortization expense for the year ended June 30, 2023 totaled \$387,139 and was allocated to the operation of plant. During the year ended June 30, 2023, the School elected to terminate their facility lease agreement and as a result the right-of-use asset and related liability were removed as of June 30, 2023. See Note 6.

**NOTE 5 – REVENUE BONDS**

**Educational Facilities Revenue Bonds, Series 2022A and 2022B**

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

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

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

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

**NOTE 5 – REVENUE BONDS (Continued)**

Bonds payable at June 30, 2023 totaled \$20,875,000 as follows:

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

The Bonds were issued at a discount which was deferred and is being amortized over the life of the bonds using the effective interest method. The Bonds payable are presented net of the applicable discount. Amortization of bond discount during the year amounted to \$11,928.

The following schedule provides a summary of changes for the year ended June 30, 2023:

	Balance 7/1/2022	Increases	Decreases	Balance at 6/30/2023
Bonds payable	\$ 20,875,000	\$ -	\$ -	\$ 20,875,000
Bond discount	(411,536)	-	11,928	(399,608)
Bonds payable, net	\$ 20,463,464	\$ -	\$ 11,928	\$ 20,475,392

Annual requirements to amortize all bonded debt outstanding as of June 30, 2023 are as follows:

Fiscal Year Ending June 30,	Total	Principal	Interest
2024	\$ 1,248,000	\$ -	\$ 1,248,000
2025	1,248,000	-	1,248,000
2026	1,483,000	235,000	1,248,000
2027	1,485,663	250,000	1,235,663
2028	1,482,538	260,000	1,222,538
2029 - 2033	7,404,699	1,540,000	5,864,699
2034 - 2038	7,403,900	2,060,000	5,343,900
2039 - 2043	7,411,700	2,765,000	4,646,700
2044 - 2048	7,402,200	3,690,000	3,712,200
2049 - 2053	7,404,200	4,940,000	2,464,200
2054 - 2057	5,885,450	5,135,000	750,450
	\$ 49,859,350	\$ 20,875,000	\$ 28,984,350



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

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NOTE 5 – REVENUE BONDS (Continued)

**Covenants**

The bonds require that the School be in compliance with certain debt covenants, including a 45 day cash on hand requirement beginning with fiscal year and June 30, 2023 and a debt service coverage ratio of at least 1.10:1.00 beginning with fiscal year end June 30, 2023. At June 30, 2023 the School’s debt covenants calculations are as follows:

<u>Cash on Hand</u>	
Cash on hand general fund	\$ 613,850
Total expenditures ALL governmental funds year ending June 30, 2023	\$ 12,880,495
Less non operating expenditures:	
Less capital outlay - facilities acquisition and constructions	(8,431,637)
Total operating expenditures	<u>\$ 4,448,858</u>
Days Cash on Hand at June 30, 2023	<u>50</u>
 <u>Debt Service Coverage Ratio</u>	
Excess of expenditures over revenues	\$ (8,952,404)
Plus interest	1,244,176
Plus principal retirement - right-of-use asset	365,794
Plus capital outlay - facilities acquisition and constructions	<u>8,431,637</u>
Excess of revenues over expenditures	<u>\$ 1,089,203</u>
Debt service costs for year ending June 30, 2023	
Interest*	\$ -
Principal retirement	365,794
Total debt service costs for year ending June 30, 2023	<u>\$ 365,794</u>
Debt service ratio (excess of revenues over expenditures divided by total debt service costs for year ending June 30, 2023)	2.98

\*Interest during the year ended June 30, 2023 was funded through the interest reserve account established through the bonds payable and excluded from the ratio calculation in accordance with the bond documents.

**Restricted Assets**

Restricted assets include money market accounts that are related to amounts that the School is required to segregate in connection with the issuance of bonds, including capitalized interest fund and reserve requirements. The Trust Indenture requires the establishment of Funds for the bonds and accounts within such funds, all of which shall be special trust funds and accounts held by the Trustee. At June 30, 2023, the composition of restricted balances is as follows:

Bond Interest Account	\$ 1,336,675
Capital Project Account	3,129,633
Debt Service Reserve	1,527,916
	<u>\$ 5,994,224</u>

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

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**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

**Facility lease**

The School entered into a lease agreement with Temple Beth Sholom and Jewish Center, Inc. for use of property and facilities for the School’s operations. The initial term of the lease commenced July 1, 2021 and expires on June 30, 2024. During the year ended June 30, 2023, rent paid by the School totaled \$406,557.

On July 1, 2021, the School implemented GASB Statement No. 87 *Leases*, and as a result recorded a lease right of use asset and liability in these financial statements for the facility lease. The School used an interest rate of 5% based on the average incremental borrowing rate of the School to discount the annual lease payments and recognize the intangible right to use this asset and the lease liability as of July 1, 2021.

During the year ended June 30, 2023, the School exercised an option to terminate the lease per the agreement. As a result, the School’s lease will terminate in July 2023 and therefore, the previously recorded right-of-use asset and liability were removed as of June 30, 2023.

Subsequent to year-end, the School operates in the facilities constructed through School’s bonds payable.

Changes in long-term right-of-use liability during the year are as follows:

	Balance July 1, 2022	Additions	Repayments	Retirements	Balance June 30, 2023
Right-of-use Liability	\$ 752,932	\$ -	\$ (365,794)	\$ (387,138)	\$ -
Total right-of-use liability	<u>\$ 752,932</u>	<u>\$ -</u>	<u>\$ (365,794)</u>	<u>\$ (387,138)</u>	<u>\$ -</u>

**Professional Services**

Building Hope Services, LLC., a professional charter school management company, provides accounting and human resources management services to the School including, but not limited to, regulatory compliance, maintenance of the books and records, bookkeeping, budgeting and financial reporting. The agreement between the School and the management company calls for a fee of \$100 per full time equivalent (FTE) student per year plus a fee of \$350 per employee per year. The agreement can be terminated at any time by the board with 30 day notice. During the year ended June 30, 2023, the School incurred approximately \$46,000 in management fees. Building Hope Services, LLC. is located at 1225 SE 2nd Avenue, Fort Lauderdale, Florida, 33316.

**Contingencies and Concentrations**

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

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

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NOTE 7 – INTER-FUND BALANCES

Inter-fund transfers in government funds as of June 30, 2023 consist of the following:

	Debt Service Fund	Capital Projects Fund
Transfer from debt service fund for capital project requirements	<u>\$ (15,982,604)</u>	<u>\$ 15,982,604</u>
Total Transfers, net	<u>\$ (15,982,604)</u>	<u>\$ 15,982,604</u>

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

	Debt Service Fund	Capital Projects Fund
Due to Capital Projects Fund from Debt Service Fund for Project account	<u>\$ (11,316,080)</u>	<u>\$ 11,316,080</u>
Total Due (to) From	<u>\$ (11,316,080)</u>	<u>\$ 11,316,080</u>

REQUIRED SUPPLEMENTAL INFORMATION

**DREAMERS ACADEMY CHARTER SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET  
AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local school district	\$ 3,296,014	\$ 3,222,535	\$ 3,222,535
Local and other revenue	139,000	212,577	212,577
<b>TOTAL REVENUES</b>	<b>\$ 3,435,014</b>	<b>\$ 3,435,112</b>	<b>\$ 3,435,112</b>
<b>EXPENDITURES</b>			
Instruction	\$ 1,520,321	\$ 1,736,494	\$ 1,736,494
Instructional curriculum and support	33,873	19,088	19,088
General administration	127,161	140,988	140,988
School administration	321,086	385,472	385,472
Central services	200	9,130	9,130
Board	77,000	117,641	117,641
Operation of plant	226,315	153,445	153,445
Maintenance of plant	58,200	9,651	9,651
Fiscal services	43,200	46,093	46,093
Transportation	110,582	41,169	41,169
Administrative technology services	7,000	500	500
Community services	91,506	20,140	20,140
Capital outlay- Facilities and acquisition	7,500	17,571	17,571
Debt service	406,557	365,794	365,794
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,030,501</b>	<b>\$ 3,063,176</b>	<b>\$ 3,063,176</b>
 Net change in fund balance	 <b>\$ 404,513</b>	 <b>\$ 371,936</b>	 <b>\$ 371,936</b>

See accompanying note to the required supplemental information.

**DREAMERS ACADEMY CHARTER SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET  
AND ACTUAL – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

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	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal passed through state	\$ 449,517	\$ 115,155	\$ 115,155
Local and other revenue	-	32,907	32,907
TOTAL REVENUES	<u>\$ 449,517</u>	<u>\$ 148,062</u>	<u>\$ 148,062</u>
EXPENDITURES			
Instruction	\$ 404,617	\$ 120,194	\$ 120,194
School administration	23,800	-	-
Central services	17,500		
Fiscal services	3,600	-	-
Operation of plant	-	5,000	5,000
TOTAL EXPENDITURES	<u>\$ 449,517</u>	<u>\$ 125,194</u>	<u>\$ 125,194</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 22,868</u>	<u>\$ 22,868</u>

See accompanying note to the required supplemental information.

**DREAMERS ACADEMY CHARTER SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET  
AND ACTUAL – DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

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	Debt Service Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Interest income	\$ 40	\$ 311,034	\$ 311,034
TOTAL REVENUES	<u>\$ 40</u>	<u>\$ 311,034</u>	<u>\$ 311,034</u>
EXPENDITURES			
Debt service	1,217,600	1,244,176	1,244,176
TOTAL EXPENDITURES	<u>\$ 1,217,600</u>	<u>\$ 1,244,176</u>	<u>\$ 1,244,176</u>
Change in fund balance before other financing source:	(1,217,560)	(933,142)	(933,142)
OTHER FINANCING SOURCES			
Transfers out	<u>-</u>	<u>(227,619)</u>	<u>(227,619)</u>
Net change in fund balance	<u>\$ (1,217,560)</u>	<u>\$ (1,160,761)</u>	<u>\$ (1,160,761)</u>

See accompanying note to the required supplemental information.

**DREAMERS ACADEMY CHARTER SCHOOL  
NOTE TO REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2023, has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

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

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





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

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Board of Directors of  
Dreamers Academy Charter School  
Sarasota, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund and aggregate remaining fund information of Dreamers Academy Charter School (the “School”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated October

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
October 6, 2023



## MANAGEMENT LETTER

Board of Directors of  
Dreamers Academy Charter School  
Sarasota, Florida

### Report on the Financial Statements

We have audited the financial statements of Dreamers Academy Charter School (the “School”), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated October 6, 2023.

### Auditor’s Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated October 6, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding audit report.

### Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education of the school is Dreamers Academy Charter School and #580120.

### **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 20233 is not deteriorating.

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

### **Transparency**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
October 6, 2023