

MIAMI COMMUNITY CHARTER SCHOOL
MIAMI, FLORIDA
(A CHARTER SCHOOL UNDER MIAMI
COMMUNITY CHARTER SCHOOLS, INC.)

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

JUNE 30, 2023

MIAMI COMMUNITY CHARTER SCHOOL
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2023

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MIAMI COMMUNITY CHARTER SCHOOL
(A Charter School Under Miami Community Charter Schools, Inc.)

101 SW Redland Road,
Florida City, FL 33034
(305) 245-2552

2022-2023

BOARD OF DIRECTORS

Ms. Ana Torres, Chair
Mr. Howard Murphy
Ms. Carmen Marinelli
Mr. Shawn Khosravi
Mr. William Presswood
Ms. Catalina Perez

SCHOOL ADMINISTRATION

Ms. Jila Rezaie, Executive Director
Dr. Raina Fiallo, Principal



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Miami Community Charter School
Florida City, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Miami Community Charter School (the "School"), a charter school under Miami Community Charter Schools, 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 Miami Community 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 Matters

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School as of June 30, 2023, and the respective changes in financial position or the year then ended, and is not intended to be a complete presentation of Miami Community Charter Schools, Inc.. These financial statements do not purport to and do not present fairly the financial position of Miami Community Charter Schools, Inc. as of June 30, 2023 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 1, 2023 on our consideration of the Academy’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 Academy’s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 1, 2023

Management's Discussion and Analysis

Miami Community Charter School

June 30, 2023

The corporate officers of Miami Community 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.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School's financial statements and notes to the financial statements, as listed in the table of contents.

FINANCIAL HIGHLIGHTS

1. The assets of the School exceeded its liabilities at June 30, 2023 by \$2,338,523 and at year-end, had current assets of \$2,823,212.
2. The School had a decrease in net position of \$155,798 during the current fiscal year of operations.
3. The School had a decrease in fund balance during the fiscal year of \$369,608, and had a combined ending fund balance of \$2,463,146 at June 30, 2023.

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 plus deferred outflows of resources and liabilities plus deferred inflows of resources. The difference is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

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

The government-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements. All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

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

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for its general and special revenue fund. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 11-14 of this report.

Notes to Financial Statements

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

The notes to basic financial statements can be found on pages 15-25 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:

Assets	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,846,080	\$ 1,686,980
Restricted investments	555,198	564,725
Due from other agencies	342,692	309,202
Due from other schools	175,438	581,645
Prepaid expenses and deposits	22,074	23,107
Capital assets, net	6,406,121	6,330,136
Deferred outflows of resource	429,256	446,431
Total Assets	<u>\$ 9,776,859</u>	<u>\$ 9,942,226</u>
Liabilities and Position		
Accounts and wages payable and accrued liabilities	\$ 356,978	\$ 332,905
Due from other schools	4,315	-
Long-term liabilities	6,960,000	7,115,000
Total Liabilities	<u>7,321,293</u>	<u>7,447,905</u>
Investment in capital assets, net of related debt	441,509	227,699
Restricted	825,856	564,725
Unrestricted	1,188,201	1,701,897
Total Net Position	<u>2,455,566</u>	<u>2,494,321</u>
Total Liabilities and Net Position	<u>\$ 9,776,859</u>	<u>\$ 9,942,226</u>

As of June 30, 2023, total assets consisted primarily of cash, restricted investments, and loan receivables from related parties and capital assets. Total liabilities are comprised mainly of salaries and benefits payable, and bonds payable. The School's net position as of June 30, 2023 was \$2,338,523, which may be used to meet the School's ongoing obligations.

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

REVENUES	<u>2023</u>	<u>2022</u>
Program Revenues		
Federal lunch program	\$ 444,329	\$ 378,024
Federal through state and local	721,417	1,138,037
State capital outlay funding	362,869	352,552
Charges for services	261,593	257,756
General Revenues		
FEFP nonspecific revenue	4,838,709	4,176,323
Fundraising and other revenue	28,196	25,845
Total Revenues	<u>\$ 6,657,113</u>	<u>\$ 6,328,537</u>
EXPENSES		
Instruction	\$ 3,009,679	\$ 2,792,556
Instructional support services	94,210	50,284
Instruction and curriculum development	6,648	7,205
Instructional staff training services	13,580	26,303
Instructional related technology	78,436	61,985
School board	21,423	277,316
General administration	98,581	97,705
School administration	969,422	853,168
Facilities acquisition and construction	387,904	278,113
Fiscal services	149,506	60,449
Food services	550,434	416,132
Pupil transportation services	363,426	360,409
Operation of plant	467,134	459,281
Maintenance of plant	132,961	124,471
Community services	5,028	5,138
Interest expense	347,496	403,565
Total Expenses	<u>\$ 6,695,868</u>	<u>\$ 6,274,080</u>
Change in Net Position	(38,755)	54,457
Net Position at Beginning of Year	<u>2,494,321</u>	<u>2,439,864</u>
Net Position at End of Year	<u>\$ 2,455,566</u>	<u>\$ 2,494,321</u>

The largest revenue source for the School is from the State of Florida (80%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. FEFP utilizes student enrollment data to determine the funds available for the School. The School also received Federal funding for its participation in the National School Lunch program and Title I program. Instruction expense increased primarily due to an increase in Title I funding.

SCHOOL LOCATION

The School operates in at 101 SW Redland Road, Florida City, Florida 33034.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

GOVERNMENTAL FUNDS

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the fiscal year, the School's governmental funds reported a combined ending fund balance of \$2,463,146 and an decrease in fund balance of \$369,608 compared to prior year.

CAPITAL ASSETS

The School's investment in capital assets, as of June 30, 2023, amounts to \$6,406,121 (net of accumulated depreciation). This investment in capital assets includes land, buildings, leasehold improvements, fixtures, furniture and equipment, and assets under capital leases. The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

BOND PAYABLE

Miami Community Charter Schools, Inc. issued tax-exempt revenue bonds to pay the outstanding balance on previous tax-exempt revenue bonds that were initially issued to finance the acquisition, building improvements and the equipping of facilities. The new issued bonds are for \$6,975,000 (Series 2020A) and \$285,000 (Series 2020B) for a total of \$7,260,000. The bonds have an outstanding balance of \$6,960,000 as of June 30, 2023. The building, land and bond payable are included on the School's financial statements.

BUDGETARY HIGHLIGHTS

The General Fund, Special Revenue, Capital Projects and Debt Service Fund budgets for the fiscal year ended June 30, 2023, was developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Over the course of the year, the School may revise its budgets. For the fiscal year ended June 30, 2023, the actual expenditures were equal to the final budget. Refer to the Budgetary Comparison Schedule on pages 26 to 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 the School.

MIAMI COMMUNITY CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,846,080
Restricted cash	555,198
Due from governmental agencies	342,692
Due from Miami Community Charter Middle School	175,438
Prepaid expenses	20,847
TOTAL CURRENT ASSETS	<u>2,940,255</u>
LAND AND CAPITAL ASSETS, NET	6,406,121
Deposit receivable and other assets	1,227
TOTAL ASSETS	<u>9,347,603</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on bond issuance, net of discount and amortization	429,256
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 9,776,859</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 72,183
Accrued wages payable	284,795
Due from Miami Community Charter High School	4,315
Bonds payable- current portion	165,000
TOTAL CURRENT LIABILITIES	<u>526,293</u>
Bonds payable- long term portion	6,795,000
TOTAL LIABILITIES	<u>7,321,293</u>
NET POSITION	
Invested in capital assets, net of related debt	441,509
Restricted for debt service	555,198
Restricted	270,658
Unrestricted	1,188,201
TOTAL NET POSITION	<u>2,455,566</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 9,776,859</u></u>

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

**MIAMI COMMUNITY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction	3,009,679	\$ -	\$ 721,417	\$ -	\$ (2,288,262)
Instructional support services	94,210	-	-	-	(94,210)
Instruction and curriculum development	6,648	-	-	-	(6,648)
Instructional staff training services	13,580	-	-	-	(13,580)
Instructional related technology	78,436	-	-	-	(78,436)
School board	21,423	-	-	-	(21,423)
General administration	98,581	-	-	-	(98,581)
School administration	969,422	-	-	-	(969,422)
Facilities acquisition and construction	387,904	-	-	-	(387,904)
Fiscal services	149,506	-	-	-	(149,506)
Food services	550,434	-	444,329	-	(106,105)
Pupil transportation services	363,426	-	-	-	(363,426)
Operation of plant	467,134	-	-	-	(467,134)
Maintenance of plant	132,961	-	-	-	(132,961)
Administrative technology services	5,028	-	-	-	(5,028)
Interest expense	347,496	261,593	-	362,869	276,966
Total Governmental Activities	\$ 6,695,868	\$ 261,593	\$ 1,165,746	\$ 362,869	\$ (4,905,660)

GENERAL REVENUES:

Local revenue	4,838,709
Other revenue	28,196
Total general revenues	<u>4,866,905</u>
Change in Net Position	(38,755)
NET POSITION - BEGINNING	<u>2,494,321</u>
NET POSITION - ENDING	<u><u>\$ 2,455,566</u></u>

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

**MIAMI COMMUNITY CHARTER SCHOOL
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Debt Service Fund	Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,846,080	\$ -	\$ -	\$ 1,846,080
Restricted cash	-	555,198	-	555,198
Due from governmental agencies	155,562	-	187,130	342,692
Due from Miami Community Charter Middle School	175,438	-	-	175,438
Due from internal funds	187,130	-	-	187,130
Prepaid expenses and deposits	22,074	-	-	22,074
TOTAL ASSETS	\$ 2,386,284	\$ 555,198	\$ 187,130	\$ 3,128,612
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 72,183	\$ -	\$ -	\$ 72,183
Accrued wages payable	284,795	-	-	284,795
Due from Miami Community Charter High School	4,315	-	-	4,315
Due to internal funds	-	-	187,130	187,130
TOTAL LIABILITIES	361,293	-	187,130	548,423
FUND BALANCE				
Nonspendable				
Deposit receivable and other assets	22,074	-	-	22,074
Restricted				
	270,658	555,198	-	825,856
Unassigned				
	1,732,259	-	-	1,732,259
TOTAL FUND BALANCE	2,024,991	555,198	-	2,580,189
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,386,284	\$ 555,198	\$ 187,130	\$ 3,128,612

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

**MIAMI COMMUNITY CHARTER SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT
OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

Total Fund Balance - Governmental Funds \$ 2,580,189

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets	9,776,041
Accumulated depreciation	(3,369,920)

Deferred outflow of resources are reported as a result of changes in fair value of deferred amounts on bond issuance costs in the statement of net position

429,256

Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.

Bond payable	(6,960,000)
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Total Net Position - Governmental Activities

\$ 2,455,566

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

**MIAMI COMMUNITY CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Capital Projects Fund	Debt Service Fund	Special Revenue Fund	Total Governmental Funds
REVENUES					
State passed through local	\$ 4,838,709	\$ -	\$ -	\$ -	\$ 4,838,709
State capital outlay	-	362,869	-	-	362,869
Federal passed through state and local	-	-	-	721,417	721,417
Federal lunch program	-	-	-	444,329	444,329
Other income	28,163	-	261,626	-	289,789
TOTAL REVENUES	4,866,872	362,869	261,626	1,165,746	6,657,113
EXPENDITURES					
Current:					
Instruction	2,288,262	-	-	721,417	3,009,679
Instructional support services	94,210	-	-	-	94,210
Instruction and curriculum development	6,648	-	-	-	6,648
Instructional staff training services	13,580	-	-	-	13,580
Instructional related technology	78,436	-	-	-	78,436
School board	21,423	-	-	-	21,423
General administration	98,581	-	-	-	98,581
School administration	570,025	-	-	-	570,025
Facilities acquisition and construction	387,904	-	-	-	387,904
Fiscal services	149,506	-	-	-	149,506
Food services	106,105	-	-	444,329	550,434
Pupil transportation services	363,426	-	-	-	363,426
Operation of plant	467,134	-	-	-	467,134
Maintenance of plant	132,961	-	-	-	132,961
Administrative technology services	5,028	-	-	-	5,028
Capital Outlay:					
Other capital outlay	458,207	-	-	-	458,207
Debt Service:					
Redemption of principal	-	-	155,000	-	155,000
Interest	-	-	347,496	-	347,496
TOTAL EXPENDITURES	5,241,436	-	502,496	1,165,746	6,909,678
Excess (deficiency) of revenues					
Over expenditures	(374,564)	362,869	(240,870)	-	(252,565)
OTHER FINANCING SOURCES (USES)					
Transfers in/(out)	131,526	(362,869)	231,343	-	-
Proceeds from long-term financing	-	-	-	-	-
Total other financing sources (uses)	131,526	(362,869)	231,343	-	-
Net change in fund balance	(243,038)	-	(9,527)	-	(252,565)
Fund balance at beginning of year	2,268,029	-	564,725	-	2,832,754
Fund balance at end of year	<u>\$ 2,024,991</u>	<u>\$ -</u>	<u>\$ 555,198</u>	<u>\$ -</u>	<u>\$ 2,580,189</u>

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

**MIAMI COMMUNITY 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**

Change in Fund Balance - Governmental Funds \$ (252,565)

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

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

Capital outlays	458,207
Depreciation expense	(382,222)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Repayments of principal	155,000
Proceeds from financing	-

Amortization of deferred outflows (17,175)

Change in Net Position of Governmental Activities \$ (38,755)

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

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

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Miami Community Charter School (the “School”) is a charter school sponsored by the School Board of Miami-Dade County, Florida (the “District”). The School’s charter is held by Miami Community Charter Schools, 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 six 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 Miami-Dade County, Florida. The current charter is effective until July 31, 2024, and is subject to annual review and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District 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 District may also terminate the charter if good cause is shown. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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.

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:

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Budgetary Basis Accounting

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

Cash and Cash Equivalents

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Investments

Certain proceeds of the School’s revenue bonds, as well as resources set aside for their repayment, are classified as restricted assets on the statement of net position and the balance sheet-governmental funds because their use is limited by applicable bond covenants and they are maintained in separate bank accounts.

Fair Value Measurement

The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Due from Governmental Agencies

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

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization level is \$750 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, fixtures and equipment	5 Years
Leasehold improvements	10 Years
Building	30 Years

Compensated Absences

The School grants a specific number of days of 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 absences 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.

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s), and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School has \$429,256 of deferred outflow of resources at June 30, 2023. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s), and so will *not* be recognized as an inflow of resources (revenue) until then.

Government-wide Fund Net Assets

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

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2023 was \$441,509.
- Restricted net position – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2023 was \$825,856.
- Unrestricted net position – all other net position is reported in this category.

Governmental Fund Balances

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

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2023, the School had \$22,074 in nonspendable fund balance.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2023, there is restricted fund balance of \$825,856.
- 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 classifications 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, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

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.

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

Revenue Sources

Revenues for operations will be received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the 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. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP, under Section 1011.62, Florida Statutes, is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes.

For the fiscal year ended June 30, 2023, the School reported 536.96 unweighted FTE and 592.35 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

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.

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

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Income Taxes

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

New Accounting Standards Adopted

In fiscal year 2023, the School adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government users. This Statement is effective immediately for reporting periods beginning after June 15, 2022. These changes were incorporated in the School's 2023 financial statements and had no effect.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 1, 2023, which is the date the financial statements were available to be issued.

NOTE 3 – DEPOSITS POLICY AND CREDIT RISK

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

As of June 30, 2023, the carrying amount of the School's operating cash deposit accounts was \$1,846,080 and the bank balance totaled \$1,851,687.

NOTE 4 – RESTRICTED INVESTMENTS

The School has not adopted a written investment policy. Therefore, pursuant to Florida Statutes, the School is authorized to invest in the Florida PRIME investment pool, administered by the State Board of Administration (SBA); Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes; and direct obligations of the United States Treasury.

The School has adopted GASB No.79, *Certain External Investment Pools and Pool Participants*. The statement addresses accounting and financial reporting for certain external investment pools and pool participants. It establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. All of the School's investments are carried at amortized cost of \$555,198, which approximates fair value as of June 30, 2023. The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

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

NOTE 4 – RESTRICTED INVESTMENTS (Continued)

The School’s recurring fair value measurements as of June 30, 2023 are valued using quoted market prices (Level 1 inputs) and are reported as follows:

Assets	Fair Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	\$ 555,198	\$ 555,198	\$ -	\$ -
	\$ 555,198	\$ 555,198	\$ -	\$ -

Investments set aside to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital assets are classified as restricted.

NOTE 5 – DUE FROM OTHER AGENCIES

The amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds mainly consists of amounts due from the Florida Department of Education funds for amounts due from the National School Lunch Program, Elementary & Secondary School Emergency Relief Fund and the state capital outlay funding recorded in the Special Revenue Fund and Capital Projects Fund, respectively. These receivables are considered fully collectible and, as such, no allowance for uncollectible accounts is accrued.

NOTE 6 – DUE FROM RELATED PARTIES

The School reported receivable of \$175,438 from the Miami Community Charter Middle School (MCM) and a payable of \$4,315 from Miami Community Charter High School (MCH), respectively, related parties through common control, in its Statement of Net Position and Balance Sheet – Governmental Funds. This amount represents a temporary zero interest demand loan given to partially fund current operations of the MCM and MCH. The School expects to receive repayment of these loans within one year from the financial statement date. Terms of the repayment plans have not yet been established.

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

NOTE 7 – CAPITAL ASSETS

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2023:

	Balance 7/1/2022	Additions	Reclassifications/R etirements	Balance 6/30/2023
Capital assets				
Land	\$ 1,724,318	\$ -	\$ -	\$ 1,724,318
Building	5,586,585	-	-	5,586,585
Improvements other than buildings	1,147,147	428,207	-	1,575,354
Furniture, fixtures, and equipment	674,597	-	-	674,597
Audiovisual materials	185,187	30,000	-	215,187
Total capital assets	<u>\$ 9,317,834</u>	<u>\$ 458,207</u>	<u>\$ -</u>	<u>\$ 9,776,041</u>
Less accumulated depreciation				
Building	\$(1,313,393)	\$ (186,219)	\$ -	\$(1,499,612)
Improvements other than buildings	(1,058,366)	(32,125)	-	(1,090,491)
Furniture, fixtures and equipment	(519,210)	(96,745)	-	(615,955)
Audiovisual materials	(96,729)	(67,133)	-	(163,862)
Total accumulated depreciation	<u>\$(2,987,698)</u>	<u>\$ (382,222)</u>	<u>\$ -</u>	<u>\$(3,369,920)</u>
Capital assets, net	<u>\$ 6,330,136</u>	<u>\$ 75,985</u>	<u>\$ -</u>	<u>\$ 6,406,121</u>

Depreciation expense for the year ended June 30, 2023 was \$382,222, which was allocated to school administration.

NOTE 8 – BONDS PAYABLE

Bonds payable at June 30, 2023, are as follows:

Bond Type	Amount Outstanding	Interest Rates	Maturity
Revenue Bonds:			
Series 2020A	\$ 6,960,000	4.25% to 5.00%	June 2047
Series 2020B	-	5.75%	June 2023
Total Bond Payable	<u>\$ 6,960,000</u>		

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

NOTE 8 –BONDS PAYABLE (Continued)

Revenue Bonds Series 2010A and 2010B – On October 1, 2010, the Miami Community Charter Schools, Inc. issued tax-exempt revenue bonds (Series 2010A) for \$7,000,000 and taxable revenue bonds (Series 2010B) for \$700,000 secured by a mortgage on the property and buildings. The bonds were issued to finance the acquisition, improvements, and equipping of facilities to be used as a nonprofit charter school educational facility. These bonds were fully paid through a refinance in November 2020 as noted below.

In November 2020, Miami Community Charter Schools, Inc. refinanced the tax-exempt Series 2010A and 2010B bonds by issuing new tax-exempt revenue bonds Series 2020A and 2020B for a total of \$7,260,000. The Series 2020A bonds are term bonds paying interest monthly starting on December 15, 2020 at a rate between 4.25% and 5.00% with maturities starting in the year ended June 15, 2023 and ending June 15, 2047. Series 2020B bonds are term bonds paying interest monthly at a rate of 5% with maturities starting June 15, 2022, and ending June 15, 2023.

As required by the bond resolution, Miami Community Charter Schools, Inc. has established a sinking fund and reserve account included on these financial statements as restricted investments and has accumulated and maintained adequate resources in the sinking fund and reserve account.

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

Fiscal Year Ending	Total	Principal	Interest
2024	\$ 503,250	\$ 165,000	\$ 338,250
2025	501,238	170,000	331,238
2026	499,013	175,000	324,013
2027	501,575	185,000	316,575
2028	503,713	195,000	308,713
2029-2033	2,507,850	1,100,000	1,407,850
2034-2038	2,514,000	1,405,000	1,109,000
2039-2043	2,547,500	1,790,000	757,500
2044-2047	3,008,000	1,775,000	227,250
	<u>\$ 13,086,139</u>	<u>\$ 6,960,000</u>	<u>\$ 5,120,389</u>

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

	Balance July 1, 2022	Borrowings	Repayments	Balance at June 30, 2023
Bond payable	<u>\$ 7,115,000</u>		<u>\$ 155,000</u>	<u>\$ 6,960,000</u>

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

NOTE 9 – FACILITY LEASE – RELATED PARTY

On October 1, 2010, Miami Community Charter School, Inc. issued \$7,700,000 of bonded debt to construct an educational facility on land owned by Miami Community Charter School, Inc. On July 1, 2020, Miami Community Charter Middle School, Inc. and Miami Community Charter High School, Inc. charter schools were consolidated under Miami Community Charter Schools, Inc. (the “Organization”) and refinanced the Series 2010A and 2010B bonds with new tax exempt revenue Series 2020A and 2020B bonds. The Organization now includes the three charter schools: Miami Community School, Miami Community Charter Middle School and Miami Community Charter High School.

The School receives payments from Miami Community Charter Middle School and Miami Community Charter High School as part of shared building costs including utilities, repairs and maintenance and monthly debt service of \$168,291 and \$153,627, respectively, for the fiscal year ended June 30, 2023.

NOTE 10 – PROFESSIONAL SERVICE CONTRACTS

The School entered into an annual contract for professional services with Building Hope Services, LLC to provide consulting and professional services for the School. The contract is cancellable by either party with 30 days written notice. The professional fees for the year ended June 30, 2023, were \$53,700.

NOTE 11– COMMITMENTS AND CONTINGENCIES

The School leases its educational facility under a non-cancelable operating lease expiring in August 2023. Rental expenditures under this lease for the year ended June 30, 2023 were \$275,995.

NOTE 12 – INTER-FUND TRANSFERS

During fiscal year 2023, the Capital Projects Fund transferred \$362,869 to help finance the School’s principal and interest payments owed on long-term debt. These amounts of inter-fund transfers are netted together and are not reported in the statement of net position and the statement of activities.

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

NOTE 13 – SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School’s State revenue:

<u>Source</u>	<u>Amount</u>
Florida education finance program	\$ 3,234,245
Class size reduction	568,400
Supplementary Academic Instruction	173,990
Student transportation	108,675
Instructional materials	42,724
ESE guaranteed allocation	35,789
Reading allocation	29,854
Safe schools	40,746
Teacher lead program	11,040
Referendum allocation	497,477
Teachers salary increase allocation	151,304
Total state revenue	<u>\$ 4,838,709</u>

As provided in the charter school contract and Florida Department of Education Rules, the District has charged the School an administrative fee on FEFP revenue for the first 250 FTE, which totaled \$98,581 for the year ended June 30, 2023.

NOTE 14 – LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

NOTE 15 – GRANTS

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

NOTE 16 – RISK MANAGEMENT

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

REQUIRED SUPPLEMENTAL INFORMATION

**MIAMI COMMUNITY 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
REVENUES			
State passed through local	\$ 4,725,398	\$ 4,838,709	\$ 4,838,709
Other income	-	28,163	28,163
TOTAL REVENUES	\$ 4,725,398	\$ 4,866,872	\$ 4,866,872
EXPENDITURES			
Instruction	\$ 1,530,816	\$ 2,288,262	\$ 2,288,262
Instructional support services	50,042	94,210	94,210
Instruction and curriculum development	15,200	6,648	6,648
Instructional staff training services	8,000	13,580	13,580
Instructional related technology	58,035	78,436	78,436
School board	13,400	21,423	21,423
General administration	97,794	98,581	98,581
School administration	880,878	570,025	570,025
Facilities acquisition and construction	254,400	387,904	387,904
Fiscal services	71,743	149,506	149,506
Food services	(76,000)	106,105	106,105
Pupil transportation services	320,000	363,426	363,426
Operation of plant	298,778	467,134	467,134
Maintenance of plant	24,000	132,961	132,961
Administrative technology services	1,500	5,028	5,028
Other capital outlay	-	458,207	458,207
TOTAL EXPENDITURES	\$ 3,548,586	\$ 5,241,436	\$ 5,241,436
Change in fund balance before transfers out	1,176,812	(374,564)	(374,564)
Transfers out	-	131,526	131,526
Proceeds from long-term financing	-	-	-
Net change in fund balance	\$ 1,176,812	\$ (243,038)	\$ (243,038)

See accompanying note to the required supplemental information.

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

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal passed through state and local	\$ 868,240	\$ 721,417	\$ 721,417
Federal lunch program	400,000	444,329	444,329
TOTAL REVENUES	\$ 1,268,240	\$ 1,165,746	\$ 1,165,746
EXPENDITURES			
Instructional services	\$ 868,240	\$ 721,417	\$ 721,417
Food services	400,000	444,329	444,329
TOTAL EXPENDITURES	1,268,240	1,165,746	1,165,746
 Net change in fund balance	 \$ -	 \$ -	 \$ -

See accompanying note to the required supplemental information.

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

	Debt Service Funds		
	Original Budget	Final Budget	Actual
REVENUES			
Other income	\$ -	\$ 261,626	\$ 261,626
TOTAL REVENUES	-	261,626	261,626
EXPENDITURES			
Debt services	-	502,496	502,496
TOTAL EXPENDITURES	-	502,496	502,496
Change before other financing sources	-	(240,870)	(240,870)
Proceeds from financing sources	-	-	-
Transfers in	-	231,343	231,343
Net change in fund balance	\$ -	\$ (9,527)	\$ (9,527)

See accompanying note to the required supplemental information.

**MIAMI COMMUNITY CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

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, capital projects, 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*

Board of Directors of
Miami Community Charter School
Florida City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Miami Community 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 September 1, 2023.

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.

Coral Gables, Florida
September 1, 2023



CERTIFIED PUBLIC ACCOUNTANTS



MANAGEMENT LETTER

Board of Directors of
Miami Community Charter School
Florida City, Florida

Report on the Financial Statements

We have audited the financial statements of Miami Community Charter School (the “School”), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 1, 2023.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 1, 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 entity is Miami Community Charter School and #130102.

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, 2023 is not deteriorating.

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

Transparency

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

Purpose of this Letter

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 1, 2023