

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

**Basic Financial Statements and  
Supplementary Information**

**June 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Viera Charter School (the "School"), a Division of Viera Charter Schools, Inc. (the "Charterholder"), a component unit of the School Board of Brevard County, Florida (the "District"), as of and for the year ended June 30, 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 the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

### ***Responsibilities of Management for the Financial Statements (continued)***

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

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

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

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

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

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

### **Required Supplementary Information**

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School's internal control over financial reporting and compliance.

September 29, 2023  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*

## Management's Discussion and Analysis

### Viera Charter School

For the year ended June 30, 2023

As management of Viera Charter School (the "School") a Division of Viera Charter Schools, Inc. which is a component unit of the School Board of Brevard County, Florida, we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2023 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

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

### Financial Highlights

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$1,506,298 for a net position.
- The School's total net position increased by \$521,192.
- As of the close of the current fiscal year, the School's governmental funds reported a combined ending fund balances of \$6,771,770.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,926,775.
- The School recognized revenue related to the Elementary and Secondary School Emergency Relief funds ("ESSER ARP") in the amount of \$382,628.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the School's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the School's assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

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

## **Overview of the Financial Statements (continued)**

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

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

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

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

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

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

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

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

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

## Overview of the Financial Statements (continued)

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting as listed in the table of contents of this report.

### Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the School's financial position. As of June 30, 2023, assets exceeded liabilities by \$1,506,298.

The largest portion of the School's net position is the restricted portion. Another portion of the net position reflects its net investment in capital assets (e.g., furniture, fixtures, and equipment, buildings, etc.) less any related debt used to acquire those assets that is still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The net investment in capital assets was a deficit of \$2,007,659 at June 30, 2023. Comparison of the condensed statement of net position and the statement of activities are provided below:

#### Statement of Net Position

	Governmental Activities		
	2023	2022	Variance
<b>ASSETS</b>			
Current assets	\$ 8,130,610	\$ 8,015,997	\$ 114,613
Capital assets, net	27,279,965	27,798,768	(518,803)
Total assets	35,410,575	35,814,765	(404,190)
<b>LIABILITIES</b>			
Current liabilities	1,875,649	2,284,221	(408,572)
Noncurrent liabilities	32,028,628	32,545,438	(516,810)
Total liabilities	33,904,277	34,829,659	(925,382)
<b>NET POSITION</b>			
Net investment in capital assets	(2,007,659)	(2,135,092)	127,433
Restricted	2,710,708	2,461,139	249,569
Unrestricted	803,249	659,059	144,190
Total net position	\$ 1,506,298	\$ 985,106	\$ 521,192

The increase in current assets is due to an increase in the Interest Reserve in their restricted cash due to the required funding increases. The decrease in capital assets is due to depreciation expense offset by additions for various equipment. The decrease in current liabilities is due to decrease in accrued payables related to the decrease in grant related funding and expenditures. The decrease in noncurrent liabilities is due to payments made on the bonds.



**Government-Wide Financial Analysis (continued)**

**Statement of Activities**

	Governmental Activities		
	2023	2022	Variance
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 432,265	\$ 2,316,141	\$ (1,883,876)
General revenues:			
State passed through school district	14,136,784	11,691,756	2,445,028
Other revenues	724,716	511,190	213,526
Total revenues	15,293,765	14,519,087	774,678
Expenses:			
Basic instruction	6,753,198	7,002,606	(249,408)
Exceptional instruction	438,293	318,089	120,204
Guidance services	135,696	76,534	59,162
Health services	94,944	76,413	18,531
Media services	2,983	3,540	(557)
Instruction and curriculum development services	154,006	225,158	(71,152)
Instructional staff training services	34,067	23,457	10,610
Instruction related technology	234,662	163,475	71,187
Board	140,032	112,064	27,968
General administration	405,016	416,721	(11,705)
School administration	981,607	820,723	160,884
Student transportation	499,283	490,722	8,561
Fiscal services	558,083	447,380	110,703
Facilities	1,110,129	886,031	224,098
Operation of plant	1,225,367	919,466	305,901
Maintenance of plant	410,332	308,371	101,961
Interest on long-term obligations	1,592,976	1,627,244	(34,268)
Debt issuance cost	1,899	1,899	-
Total expenses	14,772,573	13,919,893	852,680
<b>CHANGE IN NET POSITION</b>	521,192	599,194	(78,002)
Net position at the beginning of the year	985,106	385,912	599,194
<b>NET POSITION AT END OF THE YEAR</b>	<b>\$ 1,506,298</b>	<b>\$ 985,106</b>	<b>\$ 521,192</b>

## **Government-Wide Financial Analysis (continued)**

The decrease in Operating grants is due to the completion of COVID related grant opportunities such as the Elementary and Secondary School Emergency Relief fund (“ESSER II”) being given to the school. The increase in state revenue passed through the School district is primarily attributable to building expansion and additional students.

The overall increase in expenses is due to additional students being served as a result of the increased enrollment. The increase in facilities, maintenance and operation of plant is due to the increased cleaning service costs as well as repairs and maintenance needed during the year.

## **Financial Analysis of the Government’s Funds**

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

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

As of the current fiscal year, the School’s governmental funds reported a combined ending fund balance of \$6,771,770.

The general fund is the main operating fund of the School. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$3,926,775.

During the current fiscal year, the fund balance of the School’s general fund increased by \$702,525.

## **General Fund Budgetary Highlights**

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

## **Capital Asset and Debt Administration**

**Capital Assets.** The School’s capital assets, net for its governmental type activities as of June 30, 2023, amounts to \$27,279,965 net of accumulated depreciation and amortization. This investment in capital assets includes land, buildings and fixed equipment, computer software, and furniture, fixtures and equipment. Additional information on the School’s capital assets can be found in Note C.

**Debt Administration.** The School’s long-term debt (net) at June 30, 2023 totaled \$32,545,437, a decrease of \$415,976. Additional information on the School’s long-term obligations can be found in Note D.

## **Capital Asset and Debt Administration (continued)**

**Economic Factors.** A majority of the School's funding is determined by the number of enrolled students. Due to the School being an A+ School, the School is forecasting enrollment to be 1579 students for the 2023 / 2024 school year.

### **Request for Information**

This financial report is designed to provide a general overview of the Viera Charter School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Charter School Associates, 5471 N University Drive, Coral Springs, FL 33067.

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

**STATEMENT OF NET POSITION**

**June 30, 2023**

	<u>Governmental activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents - unrestricted	\$ 3,708,596
Cash and cash equivalents - restricted	2,713,136
Due from other agencies	1,500,512
Due from other schools	19,264
Prepaid expenses	165,250
Deposits	<u>26,280</u>
Total current assets	<u>8,133,038</u>
<b>CAPITAL ASSETS</b>	
Capital assets not being depreciated	
Land	3,581,082
Capital assets, net	
Buildings and fixed equipment, net	23,266,844
Furniture, fixtures and equipment, net	<u>432,039</u>
Total capital assets	<u>27,279,965</u>
Total assets	<u>35,413,003</u>
<b>LIABILITIES</b>	
Accounts payable	82,181
Accrued interest payable	574,497
Accrued payroll	703,919
Unearned revenue	671
Long-term liabilities - due within one year	
Bonds payable	<u>516,809</u>
Total current liabilities	1,878,077
Long-term liabilities - due in more than one year	
Bonds payable, net	<u>32,028,628</u>
Total liabilities	<u>33,906,705</u>
<b>NET POSITION</b>	
Net investment in capital assets	(2,005,231)
Restricted	2,713,136
Unrestricted	<u>798,393</u>
Total net position	<u>\$ 1,506,298</u>

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

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

**STATEMENT OF ACTIVITIES**

**For the year ended June 30, 2023**

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Basic instruction	\$ 6,753,198	\$ -	\$ 432,265	\$ -	\$ (6,320,933)
Exceptional instruction	438,293	-	-	-	(438,293)
Guidance services	135,696	-	-	-	(135,696)
Health services	94,944	-	-	-	(94,944)
Media services	2,983	-	-	-	(2,983)
Instruction and curriculum development services	154,006	-	-	-	(154,006)
Instructional staff training services	34,067	-	-	-	(34,067)
Instruction related technology	234,662	-	-	-	(234,662)
Board	140,032	-	-	-	(140,032)
General administration	405,016	-	-	-	(405,016)
School administration	981,607	-	-	-	(981,607)
Student transportation	499,283	-	-	-	(499,283)
Fiscal services	558,083	-	-	-	(558,083)
Facilities	1,110,129	-	-	-	(1,110,129)
Operation of plant	1,225,367	-	-	-	(1,225,367)
Maintenance of plant	410,332	-	-	-	(410,332)
Interest on long-term obligations	1,592,976	-	-	-	(1,592,976)
Debt issuance cost	1,899	-	-	-	(1,899)
Total governmental activities	<u>\$ 14,772,573</u>	<u>\$ -</u>	<u>\$ 432,265</u>	<u>\$ -</u>	<u>(14,340,308)</u>
General revenues:					
State passed through school district					14,136,784
Other revenues					724,716
Total general revenues					<u>14,861,500</u>
<b>CHANGE IN NET POSITION</b>					521,192
Net position at the beginning of the year					<u>985,106</u>
<b>NET POSITION AT THE END OF THE YEAR</b>					<u>\$ 1,506,298</u>

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

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

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2023**

	General fund	Debt service fund	Special Revenue funds	Total governmental funds
<b>ASSETS</b>				
Cash and cash equivalents - unrestricted	\$ 3,451,444	\$ -	\$ 257,152	\$ 3,708,596
Cash and cash equivalents - restricted	-	2,713,136	-	2,713,136
Due from other agencies	-	-	1,500,512	1,500,512
Due from other schools	19,264	-	-	19,264
Due from other funds	1,505,715	255,350	8,201	1,769,266
Prepaid expenses	160,262	-	4,988	165,250
Deposits	26,280	-	-	26,280
Total assets	\$ 5,162,965	\$ 2,968,486	\$ 1,770,853	\$ 9,902,304
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 82,178	\$ -	\$ -	\$ 82,178
Interest and fees payable	-	574,500	-	574,500
Unearned revenue	-	671	-	671
Accrued payroll	703,919	-	-	703,919
Due to other funds	263,551	-	1,505,715	1,769,266
Total liabilities	1,049,648	575,171	1,505,715	3,130,534
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid expenses	160,262	-	4,988	165,250
Deposits	26,280	-	-	26,280
Restricted				
Unassigned	-	2,393,315	260,150	2,653,465
Unassigned	3,926,775	-	-	3,926,775
Total fund balances	4,113,317	2,393,315	265,138	6,771,770
Total liabilities and fund balances	\$ 5,162,965	\$ 2,968,486	\$ 1,770,853	\$ 9,902,304

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

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

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

**June 30, 2023**

Fund balances - total governmental funds \$ 6,771,770

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

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

Land	\$ 3,581,082	
Buildings and fixed equipment, net	23,266,844	
Furniture, fixtures and equipment, net	<u>432,039</u>	
Total capital assets, net		<u>27,279,965</u>

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

Bonds principal	(31,998,332)	
Bonds discount	55,546	
Bond premium	<u>(602,651)</u>	
Total bonds payable, net		<u>(32,545,437)</u>

Total net position of governmental activities		<u><u>\$ 1,506,298</u></u>
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The accompanying notes are an integral part of this financial statement.

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

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

**For the year ended June 30, 2023**

	General fund	Debt Service fund	Special Revenue funds	Total Governmental funds
<b>Revenues</b>				
State passed through school district	\$ 11,935,173	\$ 2,141,807	\$ 109,441	\$ 14,186,421
Federal through state	-	-	382,628	382,628
School lunch revenue	4,420	-	-	4,420
Other fees	20,954	-	394,732	415,686
Gifts, grants, and bequests	62,108	-	26,325	88,433
Interest income	37,732	196	-	37,928
Miscellaneous	125,312	-	38,385	163,697
Total revenues	<u>12,185,699</u>	<u>2,142,003</u>	<u>951,511</u>	<u>15,279,213</u>
<b>Expenditures</b>				
<b>Current:</b>				
Basic instruction	6,171,591	-	471,776	6,643,367
Exceptional instruction	354,282	-	83,774	438,056
Guidance services	130,986	-	4,710	135,696
Health services	93,867	-	1,077	94,944
Curriculum development services	84,418	-	69,588	154,006
Instructional staff training services	22,712	-	11,355	34,067
Instruction related technology	194,087	8,764	8,830	211,681
Board	109,410	30,622	-	140,032
General administration	405,016	-	-	405,016
School administration	897,441	-	81,108	978,549
Fiscal services	558,083	-	-	558,083
Student transportation services	498,206	-	1,077	499,283
Facilities	-	-	392,665	392,665
Operation of plant	1,198,157	-	12,918	1,211,075
Maintenance of plant	287,599	122,192	-	409,791
<b>Capital outlay:</b>				
Other capital outlay	22,011	-	330,573	352,584
<b>Debt service:</b>				
Principal	-	396,667	-	396,667
Interest	-	1,614,184	-	1,614,184
Total expenditures	<u>11,027,866</u>	<u>2,172,429</u>	<u>1,469,451</u>	<u>14,669,746</u>
Excess (deficiency) of revenues over (under) expenditures	1,157,833	(30,426)	(517,940)	609,467
<b>Other financing sources and uses:</b>				
Transfers in	-	30,622	424,686	455,308
Transfers out	(455,308)	-	-	(455,308)
Net change in fund balances	702,525	196	(93,254)	609,467
Fund balances at the beginning of the year	<u>3,410,792</u>	<u>2,393,119</u>	<u>358,392</u>	<u>6,162,303</u>
Fund balances at the end of the year	<u>\$ 4,113,317</u>	<u>\$ 2,393,315</u>	<u>\$ 265,138</u>	<u>\$ 6,771,770</u>

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



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

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

**For the year ended June 30, 2023**

Net change in fund balances - total government funds	\$	609,467
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The change in net position reported for governmental activities in the statement of activities is different because:

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

Capital outlay	\$	284,654	
Depreciation and amortization expense		<u>(803,457)</u>	
			<u>(518,803)</u>

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

Amortization of bonds payable discount		(1,899)	
Amortization of bonds payable premium		21,208	
Principal payments on long term-debt		<u>396,667</u>	
			<u>415,976</u>

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

Accrued compensation changes			<u>14,552</u>
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Change in net position of governmental activities	\$	<u><u>521,192</u></u>
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The accompanying notes are an integral part of this financial statement.

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

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Reporting entity

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

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

2. Government-wide and fund financial statements

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

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

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

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

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

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

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

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

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

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

4. Cash and cash equivalents

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

5. Receivables

As of June 30, 2023, the School's due from consist of amounts due from the School's food services sponsor (a separate charter organization), and other governmental agencies. As of June 30, 2023, the School is owed \$1,500,512 for other grants (primarily the Elementary and Secondary School Emergency Relief Fund "ESSER"). Based on prior experience, the School's management considers 100% of the due from fully collectible. Therefore, no allowance for doubtful accounts has been provided.

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

6. Prepaid expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid expenses in both the government-wide and fund financial statements.

7. Capital assets

Capital assets are reported in the governmental columns on the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

<u>Asset class</u>	<u>Estimated useful lives</u>
Buildings and fixed equipment	30
Furniture, fixtures and equipment	5 - 7
Computer software	5

8. Long-lived assets

The School evaluates its long-lived assets for indicators of possible impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The School compares the carrying amount to estimated future net undiscounted cash flows expected to be generated by such assets. Should an impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's fair value. Management has determined that there was no impairment for 2023.

9. Interfund activity

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

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

10. Long-term liabilities

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

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

11. Compensated absences

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

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

12. Revenue sources

Revenues for current operations are received primarily from the State of Florida passed through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent ("FTE") students and related data to the District, whereby the District reports to the Florida Department of Education ("FDOE"). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during the designated FTE student survey periods.

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

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

12. Revenue sources (continued)

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

13. Income taxes

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

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

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

14. Use of estimates

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

15. Fund balance classification

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

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

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

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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

15. Fund balance classification (continued)

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

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

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

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

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

16. Impact of recently issued accounting principles

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This statement is effective for the School's June 30, 2024 fiscal year end. In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for the School's June 30, 2025 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the School's financial statements.



**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE B - CASH AND CASH EQUIVALENTS**

1. Custodial credit risk

Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The deposits are insured by the FDIC up to \$250,000 per entity. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the School pursuant to Section 280.08, Florida Statutes. As of June 30, 2023 none of the School's balances held in banks were exposed to custodial credit risk.

2. Restricted cash

The restricted cash balance pertaining to the bond issuances are held by an institutional trustee in accordance with the terms of the trust indenture. As of June 30, 2023 the balance of the School's restricted cash consisted of the following:

Reserve account	\$ 2,073,108
Sinking account	130,008
Interest account	279,325
Bond revenue fund	138,841
Principal account	90,005
Administration fund	1,849
	<u>                    </u>
	<u><u>\$ 2,713,136</u></u>

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

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

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

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE B - CASH AND CASH EQUIVALENTS (continued)**

2. Restricted cash (continued)

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

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

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

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

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE C - CAPITAL ASSETS, NET**

Changes in capital assets are as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets not being depreciated or amortized				
Land	\$ 3,581,082	\$ -	\$ -	\$ 3,581,082
Total assets not being depreciated or amortized	<u>3,581,082</u>	<u>-</u>	<u>-</u>	<u>3,581,082</u>
Capital assets depreciated and amortized:				
Buildings and fixed equipment	25,855,003	242,578	-	26,097,581
Computer software	5,249	-	-	5,249
Furniture, fixtures and equipment	991,789	42,076	-	1,033,865
Total assets depreciated and amortized	<u>26,852,041</u>	<u>284,654</u>	<u>-</u>	<u>27,136,695</u>
Less accumulated depreciation and amortization:				
Buildings and fixed equipment	(2,180,681)	(650,056)	-	(2,830,737)
Computer software	(4,999)	(250)	-	(5,249)
Furniture, fixtures and equipment	(448,675)	(153,151)	-	(601,826)
Total accumulated depreciation and amortization	<u>(2,634,355)</u>	<u>(803,457)</u>	<u>-</u>	<u>(3,437,812)</u>
Total governmental activities capital assets, net	<u>\$ 27,798,768</u>	<u>\$ (518,803)</u>	<u>\$ -</u>	<u>\$ 27,279,965</u>

Depreciation and amortization expense of \$109,831 was charged to basic instruction, \$237 was charged to exceptional instruction, \$2,983 was charged to Instructional Media, \$22,981 was charged to Instruction-related technology, \$3,058 was charged to School Administration, \$14,292 was charged to Operation of Plant, \$541 was charged to Maintenance of Plant and \$649,534 was charged to facilities.

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE D - LONG-TERM LIABILITIES**

Long-term liabilities consisted of the following activity for the year ended June 30, 2023:

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Due within one year
Series 2017 bond	\$ 17,809,999	\$ -	\$ (280,000)	\$ 17,529,999	\$ 291,667
Series 2017 bond discount	(57,445)	-	1,899	(55,546)	(1,899)
Series 2019 bond	14,585,000	-	(116,667)	14,468,333	205,833
Series 2019 bond premium	623,859	-	(21,208)	602,651	21,208
Total long-term liabilities	<u>\$ 32,961,413</u>	<u>\$ -</u>	<u>\$ (415,976)</u>	<u>\$ 32,545,437</u>	<u>\$ 516,809</u>

1. Series 2017 Bond

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

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

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE D - LONG-TERM LIABILITIES (continued)**

1. Series 2017 Bond (continued)

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

	Principal	Interest	Total
2024	\$ 291,667	\$ 856,000	\$ 1,147,667
2025	301,667	844,333	1,146,000
2026	315,000	832,267	1,147,267
2027	326,667	819,667	1,146,334
2028	340,000	806,600	1,146,600
2029-2033	1,945,000	3,797,217	5,742,217
2034-2038	2,466,667	3,267,583	5,734,250
2039-2043	3,153,333	2,585,833	5,739,166
2044-2048	4,020,000	1,715,083	5,735,083
2049-2053	4,369,998	604,083	4,974,081
	\$ 17,529,999	\$ 16,128,666	\$ 33,658,665

2. Series 2019 Bond

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

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

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE D - LONG-TERM LIABILITIES (continued)**

2. Series 2019 Bond (continued)

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

	Principal	Interest	Total
2024	\$ 205,833	\$ 711,308	\$ 917,141
2025	215,833	701,231	917,064
2026	222,917	691,817	914,734
2027	230,833	682,900	913,733
2028	240,833	673,667	914,500
2029-2033	1,382,917	3,201,638	4,584,555
2034-2038	1,772,500	2,824,083	4,596,583
2039-2043	2,279,167	2,332,646	4,611,813
2044-2048	2,922,500	1,701,813	4,624,313
2049-2053	3,752,917	892,438	4,645,355
2054-2055	1,242,083	80,646	1,322,729
	\$ 14,468,333	\$ 14,494,187	\$ 28,962,520

3. Debt service coverage ratio

As a part of both the 2017 and 2019 Series Bonds, the School must have a long-term debt service coverage ratio of at least 1.10 to 1.00. For the fiscal year ended June 30, 2023, the School's long term debt service coverage ratio was 1.47. Until the Series 2017 bonds are no longer outstanding, the School agrees to have cash on hand on each June 30 (the "Testing Date") in an amount not less than 60 days cash on hand as of the Testing Date. For the fiscal year ended June 30, 2023, the School's days cash on hand was 110.

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE E - CONCENTRATIONS**

As stated in Note A-12, the School receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources and amounts:

Sources	Amounts
School Board of Brevard County, Florida	
FEFP	
Base funding	\$ 7,366,563
Class size reduction	1,501,082
ESE guaranteed allocation	360,206
Discretionary millage	864,548
Supplemental academic instruction	408,023
Evidence based reading allocation	81,338
Transportation	150,297
Discretionary compression	204,688
Teacher classroom supply allocation	26,451
Instructional materials allocation	114,850
Safe schools	108,123
Teacher salary increase	374,856
Mental health allocation	70,380
Library media allocation	7,247
Other FEFP	316,463
Total FEFP	11,955,115
Capital outlay	830,096
Title II	59,804
Charter school sales tax	1,291,769
Total state passed through School Board of Brevard County, Florida	14,136,784
Operating grants and contributions:	
IDEA	15,795
Title IV	33,842
ESSER ARP	382,628
Total Federal passed through School Board of Brevard County, Florida	432,265
Other revenues	724,716
Total revenues	\$ 15,293,765

**Viera Charter School**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE F - ESSER**

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

In December 2020, ESSER funding was expanded through the enactment of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. As with the initial ESSER I Fund established by the CARES Act, the central purpose of the second round of funding along with the American Relief Program funding ("ESSER II" and "ESSER ARP") was to provide direct funding to states and LEAs to address the areas most impacted by the disruption and closure of schools due to COVID-19. As of June 30, 2023, the School was reimbursed for \$448,044 in ESSER II and ESSER ARP expenses.

**NOTE G - COMMITMENTS AND CONTINGENCIES**

1. Management service contract

The School entered into a service agreement, commencing on October 17, 2012, with Charter School Associates, Inc. (the "management company"). The management company provides management and oversight, contracted finance/accounting, contracted HR/payroll, and development services to the School. Current year management fees charged to operations totaled \$368,127 for management and oversight, \$328,714 for contracted finance/accounting and \$267,644 for HR/payroll. The fees for the management and oversight, contracted finance/accounting, and contracted HR/payroll are based on 3%, 2.75% and 2.25%, respectively, of FEFP revenue received from the District and does not contain a clause for specific benchmarks, the School is charged 3% of grants collected from the District. As of June 30, 2023 the School is owed \$31,047 from the management company.

2. Operating leases

The School has entered into various leases for equipment and storage space. Leases that were entered into in 2022 have term ends of 2025, and there are some leases that are month to month with no term end. All non-cancellable leases have been determined to be operating leases. The lease expense for the year ended June 30, 2023 was \$47,283. The future minimum lease payments for the fiscal years ended June 30, 2024 and 2025 are \$40,896 and \$24,506, respectively.



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

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2023**

**NOTE G - COMMITMENTS AND CONTINGENCIES (continued)**

3. Legal

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

**NOTE H - RISK MANAGEMENT**

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

**NOTE I - SUBSEQUENT EVENTS**

The School has evaluated subsequent events through September 29, 2023, the date which the financial statements were available for issuance, and has determined that no additional material events occurred that would require additional disclosures in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL FUND**

**For the year ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
State passed through school district	\$ 11,756,093	\$ 11,935,173	\$ 11,935,173	\$ -
Other fees	30,000	20,954	20,954	-
Gifts, grants, and bequests	70,000	62,108	62,108	-
Interest income	-	37,732	37,732	-
Miscellaneous	35,000	129,732	129,732	-
Total revenues	11,891,093	12,185,699	12,185,699	-
Expenditures				
Current:				
Basic instruction	6,009,053	6,171,591	6,171,591	-
Exceptional instruction	437,850	354,282	354,282	-
Guidance services	74,717	130,986	130,986	-
Health services	88,090	93,867	93,867	-
Media services	58,236	-	-	-
Instruction and curriculum development services	57,107	84,418	84,418	-
Instructional staff training services	20,370	22,712	22,712	-
Instruction related technology	232,286	194,087	194,087	-
Board	101,000	109,410	109,410	-
General administration	548,509	405,016	405,016	-
School administration	844,439	897,441	897,441	-
Fiscal services	587,525	558,083	558,083	-
Information services	16,000	-	-	-
Student transportation services	555,700	498,206	498,206	-
Facilities	123,000	-	-	-
Operation of plant	1,129,780	1,198,157	1,198,157	-
Maintenance of plant	297,000	287,599	287,599	-
Administrative Technology Services	500	-	-	-
Capital outlay				
Other capital outlay	-	22,011	22,011	-
Total expenditures	11,181,162	11,027,866	11,027,866	-
Excess of revenues over expenditures	709,931	1,157,833	1,157,833	-
Other financing sources and uses:				
Transfers out	(29,588)	(455,308)	(455,308)	-
Net change in fund balance	680,343	702,525	702,525	-
Fund balance at the beginning of the year	2,652,605	3,410,792	3,410,792	-
Fund balance at the end of the year	\$ 3,332,948	\$ 4,113,317	\$ 4,113,317	\$ -

See accompanying note to the required supplementary information.

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

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

**For the year ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
State passed through school district	\$ 1,130,904	\$ 2,141,807	\$ 2,141,807	\$ -
Interest income	1,500	196	196	-
Miscellaneous	900,000	-	-	-
Total revenues	<u>2,032,404</u>	<u>2,142,003</u>	<u>2,142,003</u>	<u>-</u>
Expenditures				
Current:				
Instruction related technology	-	8,764	8,764	-
Board	22,395	30,622	30,622	-
Maintenance of plant	-	122,192	122,192	-
Capital outlay				
Other capital outlay	18,900	-	-	-
Debt service:				
Principal	391,953	396,667	396,667	-
Interest	1,597,467	1,614,184	1,614,184	-
Dues and fees	29,777	-	-	-
Total expenditures	<u>2,060,492</u>	<u>2,172,429</u>	<u>2,172,429</u>	<u>-</u>
Deficiency of revenues under expenditures	(28,088)	(30,426)	(30,426)	-
Other financing sources and uses:				
Transfers in	30,622	30,622	30,622	-
Net change in fund balance	2,534	196	196	-
Fund balance at the beginning of the year	<u>2,393,122</u>	<u>2,393,119</u>	<u>2,393,119</u>	<u>-</u>
Fund balance at the end of the year	<u>\$ 2,395,656</u>	<u>\$ 2,393,315</u>	<u>\$ 2,393,315</u>	<u>\$ -</u>

See accompanying note to the required supplementary information.

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND**  
**ACTUAL - SPECIAL REVENUE FUND**

**For the year ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
State passed through school district	\$ -	\$ 109,441	\$ 109,441	\$ -
Federal through state	1,032,569	382,628	382,628	-
Other fees	385,000	394,732	394,732	-
Gifts, grants, and bequests	-	26,325	26,325	-
Miscellaneous	-	38,385	38,385	-
Total revenues	<u>1,417,569</u>	<u>951,511</u>	<u>951,511</u>	<u>-</u>
<b>Expenditures</b>				
<b>Current:</b>				
Basic instruction	315,152	471,776	471,776	-
Exceptional instruction	13,456	83,774	83,774	-
Guidance services	70,134	4,710	4,710	-
Health services	1,077	1,077	1,077	-
Media services	2,691	-	-	-
Instruction and curriculum development services	128,104	69,588	69,588	-
Instructional staff training services	-	11,355	11,355	-
Instruction related technology	4,306	8,830	8,830	-
School administration	86,884	81,108	81,108	-
Student transportation services	-	1,077	1,077	-
Facilities	671,000	392,665	392,665	-
Operation of plant	10,765	12,918	12,918	-
Capital outlay				
Other capital outlay	-	330,573	330,573	-
Total expenditures	<u>1,303,569</u>	<u>1,469,451</u>	<u>1,469,451</u>	<u>-</u>
Deficiency of revenues under expenditures	114,000	(517,940)	(517,940)	-
<b>Other financing sources and uses:</b>				
Transfers in	-	424,686	424,686	-
Net change in fund balance	<u>114,000</u>	<u>(93,254)</u>	<u>(93,254)</u>	<u>-</u>
Fund balance at the beginning of the year	-	358,392	358,392	-
Fund balance at the end of the year	<u>\$ 114,000</u>	<u>\$ 265,138</u>	<u>\$ 265,138</u>	<u>\$ -</u>

See accompanying note to the required supplementary information.

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

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**For the year ended June 30, 2023**

**NOTE A - BUDGETARY BASIS OF ACCOUNTING**

The School's annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for the general fund may be amended by the Board of Trustees (the "Board"). The budgets presented for the fiscal year ended June 30, 2023, have been amended according to Board procedures.

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

## **COMPLIANCE INFORMATION**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise School's basic financial statements, and have issued our report thereon dated September 29, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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



## **Report on Compliance and Other Matters**

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

## **Purpose of This Report**

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

September 29, 2023  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*



## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of Viera Charter School (the “School”), a Division of Viera Charter Schools, Inc. (the “Charterholder”), a component unit of the School Board of Brevard County, Florida (the “District”), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 29, 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.

### Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated September 30, 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. In connection with our audit, the School did not have prior year findings or recommendations.

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the School code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity is Viera Charter School, a division of Viera Charter Schools, Inc., a not-for-profit corporation and the School code is 6540.

#### MELBOURNE

8035 Spyglass Hill Road  
Melbourne, FL 32940  
321-757-2020

#### ORLANDO

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

## **Financial Condition and Management**

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

## **Transparency**

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

## **Additional Matters**

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

## **Purpose of this Letter**

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

September 29, 2023  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*