

Ben Gamla Charter School Kendall  
WL# 5022

(A charter school under  
The National Ben Gamla Charter School Foundation, Inc.)

Miami, Florida

Financial Statements and  
Independent Auditor's Report

June 30, 2018

## TABLE OF CONTENTS

General Information . . . . .	1
Independent Auditor's Report. . . . .	2-3
Management's Discussion and Analysis (Required Supplementary Information) . . . . .	4-8
<b>Basic Financial Statements:</b>	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position . . . . .	9
Statement of Activities. . . . .	10
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds . . . . .	11
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position . . . . .	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds. . . . .	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities. . . . .	14
Statement of Net Position – Fiduciary Fund. . . . .	15
<i>Notes to the Basic Financial Statements</i> . . . . .	16-27
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedules. . . . .	28
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 <i>Government Auditing Standards</i> . . . . .	29-30
Management Letter . . . . .	31-32

Ben Gamla Charter School Kendall

W/L#: 5022

11155 SW 112 Ave  
Miami, FL 33176

2017-2018

BOARD OF DIRECTORS

Debra Klein, Director & Chair  
Daniel Fernandez, Director & Secretary  
Henry Ellenbogen, Director  
Marcus Jadote, Director  
Michelle Gerson, Director

SCHOOL ADMINISTRATION

Gur Berman, Principal

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Ben Gamla Charter School Kendall  
Miami, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ben Gamla Charter School Kendall (the "School"), a charter school under The National Ben Gamla Charter School Foundation, Inc., as of, and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprise the School's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ben Gamla Charter School Kendall as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Ben Gamla Charter School Kendall as of June 30, 2018, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of The National Ben Gamla Charter School Foundation, Inc. These financial statements do not purport to and do not present fairly the financial position of The National Ben Gamla Charter School Foundation, Inc. as of June 30, 2018 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***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 on pages 4 through 8 and 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2018, 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, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* on considering the School's internal control over financial reporting and compliance.

*Hub Grovier, LLP*

Coral Gables, Florida  
September 4, 2018

CERTIFIED PUBLIC ACCOUNTANTS

**Management's Discussion and Analysis**  
Ben Gamla Charter School Kendall  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)  
June 30, 2018

The corporate officers of Ben Gamla Charter School Kendall have prepared this narrative overview and analysis of the school's financial activities for the fiscal year ended June 30, 2018.

**Financial Highlights**

1. The net position of the School at June 30, 2018 was \$415,552.
2. At year-end, the School had current assets on hand of \$432,395.
3. The net position of the School increased by \$129,674 during the year.
4. The unassigned fund balance at year end was \$201,623.

**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, 2018 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, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between the four 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 when the underlying event 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.

The Board of the School adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 11 - 15 of this report.

#### Notes to Financial Statements

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

The notes to the financial statements can be found on pages 16 – 27 of this report.

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

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$415,552 at the close of the fiscal year. A summary of the School's net position as of June 30, 2018 and 2017 follows:

	2018	2017
Cash and cash equivalents	\$ 52,871	\$ 36,245
Restricted Cash	100,000	-
Investments	247,000	154,000
Accounts receivable, no allowance necessary	-	9,600
Prepaid expenses	28,766	9,700
Due from other agencies	3,758	5,845
Capital assets, net	68,663	64,526
Deposit receivable	16,500	-
Due from The National Ben Gamla Charter School Foundation, Inc.	-	100,000
<b>Total Assets</b>	<b>517,558</b>	<b>379,916</b>
<b>Deferred outflows of resources</b>	<b>-</b>	<b>-</b>
Accounts payable and accrued liabilities	102,006	94,038
<b>Total Liabilities</b>	<b>102,006</b>	<b>94,038</b>
<b>Deferred inflows of resources</b>	<b>-</b>	<b>-</b>
<b>Net Position:</b>		
Net investment in capital assets	85,163	164,526
Restricted	100,000	-
Unrestricted	230,389	121,352
<b>Total Net Position</b>	<b>\$ 415,552</b>	<b>\$ 285,878</b>

At the end of the fiscal year, the School is able to report continued positive balances in the categories of net position.

A summary and analysis of the School's revenues and expenses for the year ended June 30, 2018 and 2017 follows:

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Program Revenues		
Capital Outlay Funding	\$ 45,175	\$ 68,422
Local capital improvement revenue	72,379	-
Lunch Program	39,113	30,481
Charges for Services	5,462	6,757
General Revenues		
Local Sources (FTE and other non specific)	1,795,891	1,736,467
Other Revenues	65,476	44,280
<b>Total Revenues</b>	<u>\$ 2,023,496</u>	<u>\$ 1,886,407</u>
<b>EXPENSES</b>		
Governmental Activities:		
Instruction	\$ 1,118,561	\$ 995,328
Board	17,763	32,300
School administration	267,387	233,570
Facilities acquisition	1,752	3,166
Fiscal services	37,050	39,388
Food services	46,393	39,635
Central services	64,663	62,764
Student transportation services	-	978
Operation of plant	303,579	250,050
Maintenance of plant	32,087	41,785
Administrative technology services	4,587	-
<b>Total Expenses</b>	<u>1,893,822</u>	<u>1,698,964</u>
Increase in Net Position	129,674	187,443
Net Position at Beginning of Year	285,878	98,435
Net Position at End of Year	<u>\$ 415,552</u>	<u>\$ 285,878</u>

The School's revenues increased by \$137,089 and expenditures increased by \$194,858 due to an increase in FTE. The school had an increase in net position of \$129,674 for the year.

### **Accomplishments**

Ben Gamla Charter School completed its 8th year of operations in 2018, enrolling 247 students at its location in the Kendall area of Miami-Dade County. The school once again earned a letter grade of "A", ranking among the top K-8 public schools in Miami-Dade County based on points it received under the State of Florida Accountability Program.

Ben Gamla offers a challenging and stimulating curriculum that offers a unique bilingual, bi-literate, and bi-cultural curriculum, which prepares students to have an edge in global competition through the study of Hebrew as a second language. The school's mission is to provide an enriching experience for each student in a warm, nurturing environment. The school



believes in providing all students with the tools necessary to develop and fulfill their greatest potential. Using a hands-on, experiential approach to teaching and learning, Ben Gamla teachers use differentiated teaching and varied modalities of instruction to accommodate all students.

Ben Gamla Charter is fully accredited by AdvancED under the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS-CASI) division.

### **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. In particular, the *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.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$330,389. The fund balance unassigned and available for spending at the School's discretion is \$201,623.

### **Facility**

The School entered into lease agreement for use of facility located at 11155 SW 112<sup>th</sup> Ave, Miami, Florida 33176.

### **Capital Improvement Requirements**

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

### **Capital Assets**

The School's investment in capital assets as of June 30, 2018 amounts to \$68,663 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, audiovisual and software and furniture, equipment, and textbooks. The school has no long term debt associated with its capital assets.

## Governmental Fund Budget Analysis and Highlights

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

	Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Program Revenues			
State capital outlay funding	\$ 44,772	\$ 44,954	\$ 45,175
Local capital improvement revenue	70,176	72,000	72,379
Lunch program	37,901	38,670	39,113
Lunch fees	4,500	5,100	5,462
General Revenues			
FTE and other nonspecific revenues	1,710,240	1,788,379	1,795,891
Other revenues	42,300	64,300	65,476
Total Revenues	<u>\$ 1,909,889</u>	<u>\$ 2,013,403</u>	<u>\$ 2,023,496</u>
<b>CURRENT EXPENDITURES</b>			
Governmental Activities			
Instruction	\$ 1,038,263	\$ 1,097,089	\$ 1,094,313
Board	16,000	18,050	17,763
School administration	237,144	273,190	267,387
Fiscal services	39,000	41,050	37,050
Food services	48,120	46,635	46,393
Central services	75,300	67,050	64,663
Operation of plant	295,215	295,940	292,433
Maintenance of plant	36,100	32,900	32,087
Administrative technology services	3,000	5,000	4,587
Total Current Expenditures	<u>\$ 1,788,142</u>	<u>\$ 1,876,904</u>	<u>\$ 1,856,676</u>

Most variances occurred as a result of the budget adopted being more conservative than actual results for the year.

## Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Ms. Ana Martinez at Academica Dade, LLC, 6340 Sunset Drive, Miami, Florida, 33143.

Ben Gamla Charter School Kendall  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Net Position  
June 30, 2018

	Governmental Activities
<b><u>Assets</u></b>	
Current assets:	
Cash and cash equivalents	\$ 52,871
Restricted Cash	100,000
Investments	247,000
Prepaid expenses	28,766
Due from other agencies	3,758
Total Current Assets	<u>432,395</u>
Capital assets, depreciable	562,481
Less: accumulated depreciation	<u>(493,818)</u>
	<u>68,663</u>
Deposit receivable	<u>16,500</u>
Total Assets	<u>517,558</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>-</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Salaries and wages payable	<u>102,006</u>
Total Current Liabilities	<u>102,006</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>-</u>
<b><u>Net Position</u></b>	
Net investment in capital assets	85,163
Restricted	100,000
Unrestricted	<u>230,389</u>
Total Net Position	<u>\$ 415,552</u>

The accompanying notes are an integral  
part of these financial statements.

Ben Gamla Charter School Kendall  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Activities  
For the year ended June 30, 2018

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 1,118,561	\$ -	\$ -	\$ -	\$ (1,118,561)
Board	17,763	-	-	-	(17,763)
School administration	267,387	-	-	-	(267,387)
Facilities acquisition	1,752	-	-	-	(1,752)
Fiscal services	37,050	-	-	-	(37,050)
Food services	46,393	5,462	39,113	-	(1,818)
Central services	64,663	-	-	-	(64,663)
Operation of plant	303,579	-	-	117,554	(186,025)
Maintenance of plant	32,087	-	-	-	(32,087)
Administrative technology services	4,587	-	-	-	(4,587)
<b>Total governmental activities</b>	<u>1,893,822</u>	<u>5,462</u>	<u>39,113</u>	<u>117,554</u>	<u>(1,731,693)</u>
General revenues:					
FTE and other nonspecific revenues					1,795,891
Interest and other revenues					<u>65,476</u>
Change in net position					129,674
Net position, beginning					<u>285,878</u>
Net position, ending					<u>\$ 415,552</u>

The accompanying notes are an integral  
part of these financial statements.



Ben Gamla Charter School Kendall  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Balance Sheet - Governmental Funds  
June 30, 2018

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 52,871	\$ -	\$ 52,871
Restricted Cash	100,000	-	100,000
Investments	247,000	-	247,000
Due from other agencies	-	3,758	3,758
Due from other funds	3,758	-	3,758
Prepaid expenses	28,766	-	28,766
Total Assets	432,395	3,758	436,153
<b><u>Deferred Outflows of Resources</u></b>	-	-	-
<b><u>Liabilities</u></b>			
Salaries and wages payable	102,006	-	102,006
Due to fund	-	3,758	3,758
Total Liabilities	102,006	3,758	105,764
<b><u>Deferred Inflows of Resources</u></b>	-	-	-
<b><u>Fund balance</u></b>			
Nonspendable, not in spendable form	28,766	-	28,766
Restricted	100,000	-	100,000
Unassigned	201,623	-	201,623
	330,389	-	330,389
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 432,395	\$ 3,758	\$ 436,153

The accompanying notes are an integral  
part of these financial statements.

Ben Gamla Charter School Kendall

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2018

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Total Fund Balance - Governmental Funds \$ 330,389

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

Capital assets of \$562,481 net of accumulated depreciation of \$493,818 used in governmental activities are not financial resources and therefore are not reported in the fund. 68,663

Long term deposits in governmental activities are not financial resources and therefore are not reported in the governmental funds. 16,500

Total Net Position - Governmental Activities \$ 415,552

The accompanying notes are an integral  
part of these financial statements.

Ben Gamla Charter School Kendall

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
For the year ended June 30, 2018

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
State capital outlay funding	\$ -	\$ 45,175	\$ 45,175
Local capital improvement revenue	-	72,379	72,379
State passed through local	1,795,891	-	1,795,891
Lunch program	-	39,113	39,113
Lunch fees	-	5,462	5,462
Other revenues	65,476	-	65,476
Total Revenues	1,861,367	162,129	2,023,496
Expenditures:			
Current			
Instruction	1,094,313	-	1,094,313
Board	17,763	-	17,763
School administration	267,387	-	267,387
Fiscal services	37,050	-	37,050
Food services	-	46,393	46,393
Central services	64,663	-	64,663
Operation of plant	174,879	117,554	292,433
Maintenance of plant	32,087	-	32,087
Administrative technology services	4,587	-	4,587
Capital Outlay:			
Other capital outlay	41,283	-	41,283
Total Expenditures	1,734,012	163,947	1,897,959
Excess (deficit) of revenues over expenditures	127,355	(1,818)	125,537
Other financing sources (uses)			
Transfers in (out)	(1,818)	1,818	-
Net change in long term receivables	83,500	-	83,500
Net change in fund balance	209,037	-	209,037
Fund Balance at beginning of year	121,352	-	121,352
Fund Balance at end of year	\$ 330,389	\$ -	\$ 330,389

The accompanying notes are an integral part of these financial statements.

Ben Gamla Charter School Kendall  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

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, 2018

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Net Change in Fund Balance - Governmental Funds \$ 209,037

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. This is the amount by which capital outlays of \$41,283 (net of deletions of \$3,253) differed from depreciation expense of \$37,146.

4,137

Increase in long term receivables is an expenditure in the governmental funds, but a decrease or amortization of such prepaid expenses reduces long-term assets in the statement of net position. This is the amount by which payments of \$16,500 differed from collections of \$100,000 in the current period.

(83,500)

Change in Net Position of Governmental Activities

\$ 129,674

The accompanying notes are an integral part of these financial statements.



Ben Gamla Charter School Kendall  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Net Position - Fiduciary Funds  
June 30, 2018

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	Agency Funds
<b><u>Assets</u></b>	
Cash	\$ 9,331
Total Assets	9,331
<b><u>Deferred Outflows of Resources</u></b>	-
<b><u>Liabilities</u></b>	
Due to students and clubs	9,331
Total Liabilities	9,331
<b><u>Deferred Inflows of Resources</u></b>	-
<b><u>Net Position</u></b>	\$ -

The accompanying notes are an integral  
part of these financial statements.

**Note 1 – Summary of Significant Accounting Policies**

Reporting Entity

Ben Gamla Charter School Kendall (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 The National Ben Gamla Charter School Foundation, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of The National Ben Gamla Charter School Foundation, Inc., which is composed of five members and also governs other charter schools. The board of directors has determined that no component units exists that require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Miami-Dade County, Florida. The current charter expires on June 30, 2030 and it can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Miami, Florida for students from kindergarten through eighth grade. These financial statements are for the year ended June 30, 2018 when an average of 247 students were enrolled during the school year.

Basis of presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net 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 and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

**Ben Gamla Charter School Kendall**

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2018

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**Note 1 – Summary of Significant Accounting Policies (continued)**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 about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, such as food service and student activity fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. Other revenue sources not included with program revenues are reported as general revenues.

*Fund Financial Statements*

Fund financial statements are provided for governmental and fiduciary funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds with all other non-major funds aggregated in a single column:

*General Fund* - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Additionally, the School reports the following fiduciary fund types:

*Agency Fund* – accounts for resources of the School's internal fund, which is used to administer monies collected at the schools in connection with school, student athletics, class, and club activities.

**Ben Gamla Charter School Kendall**

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2018

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**Note 1 – Summary of Significant Accounting Policies (continued)****Measurement Focus and Basis of Accounting**

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 Guidance*.

The government-wide statements report using the economic resources measurement focus and the full 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.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, 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 liabilities of the current period. The School considers revenues to be available if they are collected within 60 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. Charges for services and fees are recognized when cash is collected as amounts are not measurable. 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.

Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

**Budgets and Budgetary Accounting**

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.



**Ben Gamla Charter School Kendall**

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2018

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**Note 1 – Summary of Significant Accounting Policies (continued)**Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/savings accounts.

The School has not adopted a formal deposit and investment policy that limits the School's allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund. The School has adopted GASB Codification Section 3100 *Fair Value Measurement and Application* (see Note 2).

Inter-fund Transfers

Inter-fund receivables/payables ("due from/to") are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

The School operates one lunch site that is part of the charter holder National School Lunch program. During the year, the combined operations of all sites operated at a deficit that was funded by the general fund. Accordingly, any deficit or excess in an individual charter school is transferred to the general fund.

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$500 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost 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:

Building and improvements	5 Years
Furniture and equipment	3-5 Years
Textbooks	3 Years

**Ben Gamla Charter School Kendall**

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2018

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**Note 1 – Summary of Significant Accounting Policies (continued)**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 District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School receives a portion of the local capital improvement ad valorem tax revenues levied by the District.

Finally, the School also receives 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 expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Compensated Absences

The School grants a specific number of sick days. Full time instructional employees are eligible to 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 in order to cash out. The cash out value is eighty percent of their current daily rate. There is no termination payment for accumulated unused sick days.

**Ben Gamla Charter School Kendall**

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2018

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**Note 1 – Summary of Significant Accounting Policies (continued)**

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 benefits 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.

Long-Term Debt

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

Income Taxes

The National Ben Gamla Charter School Foundation, Inc. qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Net Position and Fund Balance Classifications*Government-wide financial statements*

Equity is classified as net position and displayed in three (3) components:

- a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

**Ben Gamla Charter School Kendall**

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2018

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**Note 1 – Summary of Significant Accounting Policies (continued)***Fund financial statements*

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of 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).
- b) Restricted - this classification includes fund balance category amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The restricted balance represents investment in commercial time deposits that serve as collateral on an outstanding loan obligation (see Note 5).
- c) 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. There are no committed fund balances at year end.
- d) Assigned - fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Order of Fund Balance Spending Policy

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



**Ben Gamla Charter School Kendall**

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2018

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**Note 1 – Summary of Significant Accounting Policies (continued)**Use of Estimates

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

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 4, 2018, which is the date the financial statements were available to be issued.

**Note 2 – Cash, Cash Equivalents and Investments**Deposits

The School maintains its cash and cash equivalents in two financial institutions. As of June 30, 2018, the School's deposits consisted of cash balances of \$17,756.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under The National Ben Gamla Charter School Foundation, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of The National Ben Gamla Charter School Foundation, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2018, bank balances in potential excess of FDIC coverage was approximately \$63,146; including fiduciary funds.

Investments

The School categorizes its fair value measurements with the fair value hierarchy established by GASB Codification Section 3100 *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets; Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

At June 30, 2018, the School has the following recurring fair value measurements:

- Government money market mutual fund of \$247,000 valued using Level 2 inputs.

**Ben Gamla Charter School Kendall**

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2018

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**Note 2 – Cash, Cash Equivalents and Investments (continued)**Investments (continued)

The government money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of January 31, 2018, maturities of the fund's portfolio holdings are approximately 59% within 30 days.

Credit Risk

*Concentration of credit risk* is the risk of loss attributed to the magnitude of investments in a single issuer. The School manages its exposure to credit risk by limiting investments to highly rated government money market mutual funds. The fund is rated Aaa-mf by Moody's.

*Custodial credit risk* is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2018, all of the School's investments in government money market mutual funds were held in a separate account and designated as assets of the School.

*Interest rate risk* is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to government money market mutual funds that can be redeemed daily.

**Ben Gamla Charter School Kendall**

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

## Notes to Financial Statements

June 30, 2018

**Note 3 –Capital Assets**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2018:

	Balance 07/01/17	Additions	Retirements/ Reclassifications	Balance 06/30/18
Capital Assets, depreciable:				
Audiovisual and software	\$ 32,477	\$ 15,241	\$ (15,847)	\$ 31,871
Building improvements	86,955	3,950	-	90,905
Furniture and equipment	456,270	25,345	(41,910)	439,705
Total Capital Assets	<u>575,702</u>	<u>44,536</u>	<u>(57,757)</u>	<u>562,481</u>
Less Accumulated Depreciation:				
Audiovisual and software	(14,319)	(6,058)	13,094	(7,283)
Building improvements	(70,542)	(10,106)	-	(80,648)
Furniture and equipment	(426,315)	(20,982)	41,410	(405,887)
Total accumulated depreciation	<u>(511,176)</u>	<u>(37,146)</u>	<u>54,504</u>	<u>(493,818)</u>
Capital Assets, net	<u>\$ 64,526</u>	<u>\$ 7,390</u>	<u>\$ (3,253)</u>	<u>\$ 68,663</u>

For the fiscal year ended June 30, 2018, depreciation expense is allocated in the Statement of Activities by function as follows:

Instruction	\$	24,248
Facilities acquisition		1,752
Operation of plant		11,146
Total Depreciation Expense	<u>\$</u>	<u>37,146</u>

**Note 4 –Education Service and Support Provider**

Academica Dade, LLC, an educational service and support provider, provides administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting and virtual education services. The agreement calls for a fee on a per student basis. The agreement is for a period of five years, through June 30, 2021, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2018, the School incurred approximately \$111,150 in fees.

Academica Dade, LLC is located at 6340 Sunset Drive, Miami, Florida 33143.

**Ben Gamla Charter School Kendall**

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2018

**Note 5 – Transactions with other divisions of the National Ben Gamla Charter School Foundation, Inc.**

The School extended a long term non-interest bearing line of credit to The National Ben Gamla Charter School Foundation, Inc. The following schedule provides a summary of changes in long-term advances for the year ended June 30, 2018:

	Balance 07/01/17	Advances	Repayments	Balance 06/30/18
Due from The National Ben Gamla Charter School Foundation, Inc.	\$ 100,000	\$ -	\$ 100,000	\$ -
Total Long Term Receivables	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>

The National Ben Gamla Charter School Foundation, Inc. charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. The School paid approximately \$37,050 in connection with these charges during the year.

**Restricted Cash**

The School obtained a commercial time deposit from a financial institution in the amount of \$100,000 accruing interest at an annual percentage yield of 0.72%. The deposit renews in 60 day intervals and matures on January 26, 2023. All accrued interest will be paid upon maturity. The deposit serves as collateral on a loan obligation of The National Ben Gamla Charter School Foundation, Inc. and is classified as restricted net position and fund balance in the basic financial statements.

**Note 6 – Commitments, Contingencies and Concentrations**

In May 2011, the School entered into a lease agreement with the Dave and Mary Alper Jewish Community Center in Kendall, for its facility for the following school hours (7:00am until 2:30pm or 3:30pm). The agreement was extended through July 31, 2019, with options to renew for three-year terms.

Minimum annual payments are based on a pre-determined amount per student. In addition, the School will pay a facilities fee for the use of outdoor field and playgrounds for an additional fee annually per actual student enrolled. Additional property costs include maintenance and insurance.

For 2018, rent expense related to the facility lease, including facility fees, were approximately \$181,559. As of June 30, 2018 the School had prepaid rent of \$18,204

**Ben Gamla Charter School Kendall**

(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2018

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**Note 6 – Commitments, Contingencies and Concentrations (continued)**

Future minimum payments under this agreement are as follows:

<u>Year</u>	
2019	\$ 149,000

**Contingencies and Concentrations**

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

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% of the qualifying revenues of the School. For the year ended June 30, 2018, administrative fees withheld by the School District totaled \$34,934.

**Note 7 – 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.

**Note 8 - Defined Contribution Retirement Plan**

The School's personnel, which are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the "Plan"), the School provides a match of 50% of the employee's contribution up to 4% of the employee's compensation. The School contributed \$6,574 to the Plan for the year ended June 30, 2018. The School does not exercise any control or fiduciary responsibility over the Plans' assets, which are administered by Voya.



## REQUIRED SUPPLEMENTARY INFORMATION

Ben Gamla Charter School Kendall  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2018

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 1,710,240	\$ 1,788,379	\$ 1,795,891
Other revenues	42,300	64,300	65,476
Total Revenues	<u>1,752,540</u>	<u>1,852,679</u>	<u>1,861,367</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	1,038,263	1,097,089	1,094,313
Board	16,000	18,050	17,763
School Administration	237,144	273,190	267,387
Fiscal Services	39,000	41,050	37,050
Central Services	75,300	67,050	64,663
Operation of Plant	175,986	177,851	174,879
Maintenance of Plant	36,100	32,900	32,087
Administrative technology services	3,000	5,000	4,587
Total Current Expenditures	<u>1,620,793</u>	<u>1,712,180</u>	<u>1,692,729</u>
Excess of Revenues			
Over Current Expenditures	<u>131,747</u>	<u>140,499</u>	<u>168,638</u>
Capital Outlay	<u>23,000</u>	<u>43,198</u>	<u>41,283</u>
Total Expenditures	<u>1,643,793</u>	<u>1,755,378</u>	<u>1,734,012</u>
Excess of Revenues Over Expenditures	108,747	97,301	127,355
Other financing sources (uses):			
Transfers in (out)	(10,000)	(4,000)	(1,818)
Repayment of long term advances	<u>-</u>	<u>83,500</u>	<u>83,500</u>
Net change in fund balance	98,747	176,801	209,037
Fund Balance at beginning of year	<u>121,352</u>	<u>121,352</u>	<u>121,352</u>
Fund Balance at end of year	<u>\$ 220,099</u>	<u>\$ 298,153</u>	<u>\$ 330,389</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



CERTIFIED PUBLIC ACCOUNTANTS

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

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Board of Directors of  
Ben Gamla Charter School Kendall  
Miami, 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 balance of Ben Gamla Charter School Kendall (the "School") as of, and for the year ended June 30, 2018, 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 4, 2018.

**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 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*.

We issued a separate management letter dated September 4, 2018 pursuant to Chapter 10.850, Rules of the Auditor General.

## **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.

*HUB Gravier, LLP*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 4, 2018



MANAGEMENT LETTER

To the Board of Directors of  
Ben Gamla Charter School Kendall  
Miami, Florida

**Report on the Financial Statements**

We have audited the financial statements of Ben Gamla Charter School Kendall as of and for the fiscal year ended June 30, 2018 and have issued our report thereon dated September 4, 2018.

**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 Reports and Schedules**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 4, 2018, 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 and 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. The official title of the entity is Ben Gamla Charter School Kendall.

**Financial Condition**

Sections 10.854(1)(e)2, Rules of the Auditor General, requires that we report the results of our determination as to whether or not Ben Gamla Charter School Kendall has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met.



In connection with our audit, we determined that Ben Gamla Charter School Kendall 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 Ben Gamla Charter School Kendall. It is management's responsibility to monitor Ben Gamla Charter School Kendall'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. We have applied such procedures as of the fiscal year end and no deteriorating financial condition has been noted.

### **Transparency**

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

### **Other Matters**

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

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address 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, School Board of Miami-Dade County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*HLB Gravier, LLP*

Coral Gables, Florida  
September 4, 2018

CERTIFIED PUBLIC ACCOUNTANTS