

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council Members of the
City of Hialeah, Florida
City of Hialeah Educational Academy, Inc. (a Special Revenue Fund of the City of Hialeah, Florida)
Hialeah, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Hialeah Educational Academy, Inc., (a Special Revenue Fund of the City of Hialeah, Florida), (the "School") as of and for the fiscal 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.

Auditors' 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. 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 auditors' 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 School'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 School'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 and the major fund of the School, as of June 30, 2018, and the respective changes in financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the School. These financial statements do not purport to, and do not, present fairly the financial position of the City of Hialeah, Florida as of June 30, 2018 and its changes in financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

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 3 through 7 and 19 and 20 be presented to supplement the basic financial statements. Such information, although not 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 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 14, 2018 on our consideration of the School's internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Coral Gables, Florida
September 14, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Our discussion and analysis of the City of Hialeah Educational Academy, Inc.'s., (a Special Revenue Fund of the City of Hialeah, Florida), (the "School") financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2018. It should be read in conjunction with the School's special purpose financial statements which immediately follow this discussion.

Financial Highlights

- The assets and deferred outflows of resources of the School exceeded its liabilities and deferred inflows of resources at June 30, 2018 by \$2,423,280 compared to \$2,065,692 as of June 30, 2017 (net position).
- At June 30, 2018, the School had current assets on hand of \$2,225,122 compared to \$1,785,561 as of June 30, 2017 and current liabilities of \$317,413 compared to \$272,441. The increase in current assets was due a larger per student funding amount from the State and prepaid rent to the City.
- The net position of the School increased by \$357,588 during 2018 compared to an increase of \$403,790 during the prior year.
- At June 30, 2018, the School reported \$1,231,059 of unassigned fund balance compared to \$1,250,213 as of June 30, 2017; a decrease of \$19,154.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's special purpose financial statements. 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 special purpose financial statements themselves.

Government-Wide Financial Statements

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

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

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported 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 8 - 9 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.

The School only has one governmental fund; the General Fund. *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.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Fund Financial Statements (Continued)

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

The governmental fund financial statements can be found on pages 10 - 11 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 12 - 18 of this report.

Government-Wide Financial Analysis

As noted earlier, the net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, assets exceeded liabilities by \$ 2,423,280 at the close of the fiscal year. A summary of the School's net position as of June 30, 2018:

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>%</u>
Cash	\$ 1,532,994	\$ 1,497,585	\$ 35,409	2%
Receivable and other	692,128	287,976	404,152	140%
Capital assets, net	<u>515,572</u>	<u>552,572</u>	<u>(37,000)</u>	-7%
Total assets	<u>2,740,694</u>	<u>2,338,133</u>	<u>402,561</u>	17%
Current liabilities	<u>317,413</u>	<u>272,441</u>	<u>44,972</u>	17%
Investment in capital assets	515,572	552,572	(37,000)	-7%
Unrestricted	<u>1,907,709</u>	<u>1,513,120</u>	<u>394,589</u>	26%
Total net position	<u>\$ 2,423,281</u>	<u>\$ 2,065,692</u>	<u>\$ 357,589</u>	17%

At the end of the year, the School is able to report positive balances in total net position. The increase in cash was due to a larger per student funding amount from the State.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Government-Wide Financial Analysis (Continued)

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

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>%</u>
Revenues:				
Program revenues:				
Capital grants and contributions	\$ 387,565	\$ 282,111	\$ 105,454	37%
Operating grants and contributions	577,197	471,351	105,846	22%
Charges for services	11,568	14,961	(3,393)	-23%
Investment Earnings	19,377	6,148	-	N/A
Miscellaneous income	18,618	8,759	9,859	113%
General revenues:				
FTE nonspecific revenues	<u>5,421,185</u>	<u>5,181,967</u>	<u>239,218</u>	5%
Total revenues	<u>6,435,510</u>	<u>5,965,297</u>	<u>470,213</u>	8%
Expenses:				
Instruction	3,142,350	2,902,632	239,718	8%
Student Support Services	120,074	-	120,074	-
Instructional staff training services	60,439	89,679	(29,240)	-33%
Board	13,217	7,475	5,742	77%
School administration	756,212	779,511	(23,299)	-3%
Facilities acquisition and construction	4,904	8,715	(3,811)	-44%
Fiscal services	124,050	120,000	4,050	3%
Food services	386,649	347,598	39,051	11%
Central services	191,394	168,141	23,253	14%
Student transportation services	1,076	1,936	(860)	-44%
Operation of plant	1,159,067	1,074,684	84,383	8%
Maintenance of plant	88,402	61,136	27,266	45%
Administrative Technology Services	<u>30,087</u>	<u>-</u>	<u>30,087</u>	-
Total expenses	<u>6,077,921</u>	<u>5,561,507</u>	<u>516,414</u>	9%
Increase in net position	357,589	403,791	(46,202)	-11%
Net position, beginning of year	<u>2,065,692</u>	<u>1,661,902</u>	<u>403,790</u>	24%
Net position, end of year	<u>\$2,423,281</u>	<u>\$2,065,693</u>	<u>\$ 357,588</u>	17%

The School's revenue and expenses increased by \$470,212 and \$366,253, respectively, as a result of a larger per student funding amount from the State and a significant increase in payroll expense due to base salary increase across the board. The School had an increase in net position of \$103,959 due to a larger per student funding amount from the State.

Financial Analysis of the Governmental Fund

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

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Governmental Fund

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

The School only has one governmental fund. The following is a financial analysis of the governmental funds:

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>%</u>
Cash	\$ 1,532,994	\$ 1,497,585	\$ 35,409	2%
Receivable and other	<u>692,128</u>	<u>287,976</u>	<u>404,152</u>	140%
Total assets	<u>2,225,122</u>	<u>1,785,561</u>	<u>439,561</u>	25%
Liabilities	<u>317,413</u>	<u>272,441</u>	<u>44,972</u>	17%
Non-spendable fund balance	676,649	262,907	413,742	157%
Unassigned fund balance	<u>1,231,060</u>	<u>1,250,213</u>	<u>(19,153)</u>	-2%
Total fund balance	<u>\$ 1,907,709</u>	<u>\$ 1,513,120</u>	<u>\$ 394,589</u>	26%

At the end of the fiscal year, the School's governmental fund reported a fund balance of \$1,907,709, an increase of \$394,589 from the prior year. Assets and liabilities increased for the same reasons explained in the highlights of the government-wide financial statements and page 5 in the government-wide financial analysis.

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>%</u>
Revenues:				
Local sources	\$ 5,808,750	\$ 5,464,078	\$ 344,672	6%
Federal through state	577,197	471,351	105,846	22%
Charges for services	11,568	14,961	(3,393)	-23%
Investment Earnings	19,377	6,148	-	N/A
Miscellaneous income	<u>18,618</u>	<u>8,759</u>	<u>9,859</u>	113%
Total revenues	<u>6,435,510</u>	<u>5,965,297</u>	<u>447,125</u>	7%
Expenses:				
Instruction	2,997,548	2,781,134	216,414	8%
Student Support Services	120,074	-	120,074	-
Instructional staff training services	60,439	89,679	(29,240)	-33%
Board	13,217	7,475	5,742	77%
School administration	751,448	775,514	(24,066)	-3%
Fiscal services	124,050	120,000	4,050	3%
Food services	385,289	346,457	38,832	11%
Central services	191,394	168,141	23,253	14%
Student transportation services	1,076	1,936	(860)	-
Operation of plant	1,118,217	1,045,008	73,209	7%
Maintenance of plant	88,402	61,136	27,266	45%
Administrative Technology Services	30,087	-	30,087	-
Capital outlay	<u>159,680</u>	<u>268,846</u>	<u>(109,166)</u>	-41%
Total expenses	<u>6,040,921</u>	<u>5,665,326</u>	<u>375,595</u>	7%
Net change in fund balance	394,589	299,971	71,530	24%
Fund balance, beginning of year	<u>1,513,120</u>	<u>1,213,149</u>	<u>299,971</u>	25%
Fund balance, end of year	<u>\$ 1,907,709</u>	<u>\$ 1,513,120</u>	<u>\$ 371,501</u>	25%

The State appropriated a slightly larger per student funding amount than the amount appropriated for the 2017-2018 School year.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Capital Assets and Debt Administration

The School's investment in capital assets as of June 30, 2018 amounts to \$515,572 (net of accumulated depreciation) as compared to \$552,572 (net of accumulated depreciation) as of June 30, 2017. For more information on capital assets see Note 4 on page 17.

The School has no outstanding debt.

Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the City adopted an annual budget for the School. A budgetary comparison schedule has been provided for the governmental funds to demonstrate compliance with the School's budget and it is reported on page 19.

Request for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash	\$ 1,532,994
Receivable	15,479
Prepays	<u>676,649</u>
Total current assets	<u>2,225,122</u>
Non-current assets:	
Capital assets, being depreciated	1,844,161
Less: accumulated depreciation	<u>(1,328,589)</u>
Total non-current assets	<u>515,572</u>
Total assets	<u>2,740,694</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	50,749
Accrued payroll	<u>266,664</u>
Total current liabilities	<u>317,413</u>
<u>NET POSITION</u>	
Investment in capital assets	515,572
Unrestricted	<u>1,907,709</u>
Total net position	<u>\$ 2,423,281</u>

See notes to special purpose financial statements.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 3,142,350	\$ -	\$ 246,659	\$ -	\$ (2,895,691)
Student Support Services	120,074	-	-	-	(120,074)
Instructional staff training services	60,439	-	-	-	(60,439)
Board	13,217	-	-	-	(13,217)
School administration	756,212	-	-	-	(756,212)
Facilities acquisition and construction	4,904	-	-	-	(4,904)
Fiscal services	124,050	-	-	-	(124,050)
Food services	386,649	11,568	330,538	-	(44,543)
Central services	191,394	-	-	-	(191,394)
Student Transportation Services	1,076	-	-	-	(1,076)
Operation of plant	1,159,067	-	-	387,565	(771,502)
Maintenance of plant	88,402	-	-	-	(88,402)
Administrative Technology Services	30,087	-	-	-	(30,087)
Total governmental activities	<u>\$ 6,077,921</u>	<u>\$ 11,568</u>	<u>\$ 577,197</u>	<u>\$ 387,565</u>	<u>(5,101,591)</u>
General revenues:					
FTE nonspecific revenues					5,421,185
Investment Earnings					19,377
Miscellaneous income					18,618
Total general revenues					<u>5,459,180</u>
Change in net position					<u>357,589</u>
Net position, beginning					<u>2,065,692</u>
Net position, ending					<u>\$ 2,423,281</u>

See notes to special purpose financial statements.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

<u>ASSETS</u>	
Cash	\$ 1,532,994
Receivable	15,479
Prepays	<u>676,649</u>
Total assets	<u><u>\$ 2,225,122</u></u>
<u>LIABILITIES</u>	
Accounts payable	\$ 50,749
Accrued payroll	<u>266,664</u>
Total liabilities	<u>317,413</u>
<u>FUND BALANCE</u>	
Nonspendable	676,649
Unassigned	<u>1,231,060</u>
Total fund balance	<u><u>1,907,709</u></u>
Amounts reported for governmental activities in the statement of net assets are different as a result of:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	<u>515,572</u>
Net position of governmental activities	<u><u>\$ 2,423,281</u></u>

See notes to special purpose financial statements.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

REVENUES:

Local sources	\$ 5,808,750
Federal through state	577,197
Charges for services	11,568
Investment Earnings	19,377
Miscellaneous	<u>18,618</u>
Total revenues	<u>6,435,510</u>

EXPENDITURES:

Current:

Instruction	2,997,548
Student Support Services	120,074
Instructional staff training services	60,439
Board	13,217
School administration	751,448
Fiscal services	124,050
Food services	385,289
Central services	191,394
Student Transportation Services	1,076
Operation of plant	1,118,217
Maintenance of plant	88,402
Administrative Technology Services	30,087
Capital outlay	<u>159,680</u>
Total expenditures	<u>6,040,921</u>

Net change in fund balance	<u>394,589</u>
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Fund balance, beginning of year	<u>1,513,120</u>
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Fund balance, end of year	<u>1,907,709</u>
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Amounts reported for governmental activities in the statement
of activities are different because:

Net change in fund balances - total governmental fund	394,589
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Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those assets
are depreciated over their estimated useful lives.

Add current year capital outlay	159,680
Less current year depreciation	<u>(196,680)</u>

Change in net position of governmental activities	<u>\$ 357,589</u>
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NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - ORGANIZATION AND OPERATIONS

Nature of Operations

City of Hialeah Educational Academy, Inc. (the "School") is a Florida nonprofit organization established in July 2008 by the City of Hialeah, Florida (the "City") to operate a charter school. A charter from the Miami-Dade County Public School District (the "District") was granted to the City to operate the charter school which offers a career-oriented curriculum for grades six through twelve. The School, which is reported as a special revenue fund of the City, is funded from public funds based on enrollment and is also eligible for grants in accordance with State and Federal guidelines, including food service and capital outlay.

The School is reported as a special revenue fund of the City of Hialeah, Florida (the "City"). The financial statements of the School present only the balances, activity, and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2018, and its changes in financial position or budgetary comparisons, where applicable, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Enrollment and Grade Configuration

<u>School Name and Address</u>	<u>Location No.</u>	<u>Grades</u>	<u>Enrollment</u>	<u>School Principal</u>
City of Hialeah Educational Academy 2590 W 76th Street, Hialeah, FL 33016	7262	6 th - 12 th	824	Carlos O. Alvarez

The School is governed by an Oversight Committee which was established by City Ordinance 08-48. The Oversight Committee is composed of the City's Mayor and all seven councilmembers. The members of the Oversight Committee also serve as the Board of Directors of the School.

Oversight Committee

Carlos Hernandez – Chair (Mayor of the City of Hialeah)
Vivian Casals-Muñoz Vice Chair (City Council Member of the City of Hialeah)
Isis Garcia Martinez – (City Council Member of the City of Hialeah)
Jose F. Caragol (City Council Member of the City of Hialeah)
Paul B. Hernandez (City Council Member of the City of Hialeah)
Lourdes Lozano (City Council Member of the City of Hialeah)
Katherine Cue (City Council Member of the City of Hialeah)
Carl Zogby (City Council Member of the City of Hialeah)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the School's significant accounting policies is as follows:

A. Reporting Entity

The School operates under a charter granted to the City by the sponsoring school district, the Miami-Dade County Public School District (the "District"). The current charter is effective until June 30, 2028. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter for good cause as defined in the charter agreement. The School is reported as a special revenue fund of the City of Hialeah, Florida.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable which would require inclusion in the School's basic financial statements.

B. Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits for States and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

C. Government-Wide Financial Statements

The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All the School's activities are classified as governmental activities.

In the government-wide statement of net position, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all current and noncurrent assets and all current and noncurrent liabilities. The School's net position is reported in two (2) categories: investment in capital assets and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The net costs, by function, are supported by general revenues. The statement of activities reduces gross expenses by related program revenues. Program revenues must be directly associated with the function. Operating grants include operating- specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

D. Fund Financial Statements

The School's accounts are organized on the basis of funds. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets and deferred outflows, liabilities and deferred inflows, equity, revenues and expenditures.

The Charter School General Fund is a governmental fund type and is used to account for all the School's financial transactions.

E. Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statement uses the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus and Basis of Accounting (Continued)

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "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 two (2) months of the end of the current fiscal year. Intergovernmental revenues are recognized when all eligibility requirements have been met, if available. Expenditures generally are recorded when a liability is incurred. However, expenditures related to compensated absences are recorded only when paid from expendable available financial resources.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Deposits and Investments

The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash. The School's cash and cash equivalents include cash on hand which are not subjected to withdrawal restrictions and an overnight repurchase agreement. The deposits, including the overnight repurchase agreement, are held in the name of the School.

The School maintains its cash accounts with two financial institutions. The School's accounts at these institutions, at times, may exceed the federally insured limit. The School maintains these deposits with major financial institutions which mitigates this risk.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are capitalized at historical cost or estimated historical cost. Donated capital assets are valued at the estimated fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on capital assets is provided on the straight-line basis over the respective estimated useful lives ranging from 3 to 15 years.

Capital assets are reported in the government-wide financial statements. Within governmental funds, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported within the governmental fund financial statements.

H. Income Taxes

The School is a nonprofit corporation whose revenues are derived primarily from governmental entities and is also controlled by a governmental entity (the City of Hialeah, Florida). The School is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and is subject to a tax on income from any unrelated business. The School did not have any unrelated business income for fiscal year ended June 30, 2018.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Income Taxes (Continued)

The School adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The School has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The School believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the School's financial condition, results of operations or cash flows. Accordingly, the School has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 30, 2018.

The School is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The School believes it is no longer subject to income tax examinations for years prior to 2015.

The School's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

I. Equity Classifications

Government-wide financial statements

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

- Net investment in capital assets – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets. As of June 30, 2018, the School did not have any outstanding debt.
- Restricted net position – consists of components of net position with constraints placed on its use either by:
1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or
2) law through constitutional provisions or enabling legislation. There were no restricted components of net position.
- Unrestricted net position – all other components of net position that do not meet the definition of "restricted" or "net investment in capital assets."

Fund Balance

As of June 30, 2018, fund balance of the governmental fund is classified as follows:

- *Non-spendable* — Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- *Restricted* — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- *Committed* — Amounts that can be used only for specific purposes determined by a formal action of the Oversight Committee. The Oversight Committee is the highest level of decision-making authority for the School. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Oversight Committee.
- *Assigned* — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- *Unassigned* — All other spendable amounts.

As of June 30, 2018, the School's total fund balance was unassigned and non-spendable.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Net Position Flow Assumption

Sometimes the School will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the School's policy to consider restricted net position to have been depleted before unrestricted net position is applied. There was no restricted net position for the fiscal year ended June 30, 2018.

K. Compensated Absences

The School grants a specific number of days of sick/personal leave. Full time instructional employees are eligible to one day per month up to ten days of active work during the ten-month period. Employees wishing to carry forward unused days, at year end, may do so. The employees may only cash out if they have used three days or less of their sick and personal days in that school year and there must be a balance of twenty-one days remaining in the sick bank in order to cash out. The employees cannot cash out more than ten days per school year and are required to always maintain a minimum of ten days of unused sick days. The cash out value is eighty percent of their daily rate. Upon termination, sick pay is not paid out. The School has no accrued compensated absences as of June 30, 2018.

L. State Funding (Primary Source of Revenue)

Student funding is provided by the State of Florida through the School Board of Miami-Dade County, Florida. Such funding is recorded as Full-Time Equivalent ("FTE") nonspecific revenue. In accordance with the Charter Agreement, the School Board retains 5% as an administrative fee. This funding is received on a pro rata basis over the twelve-month period and is adjusted for changes in full-time equivalent student population. After review and verification of FTE reports and supporting documentation, the Florida Department of Education may adjust subsequent fiscal period allocations of FTE funding for prior year's errors disclosed by its review as well as to prevent the statewide allocation from exceeding the amount authorized by the State Legislature. Normally, such adjustments are reported in the year the adjustments are made.

M. Use of Estimates

The preparation of financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. These estimates include assessing the collectability of receivables, and the useful lives and impairment of tangible assets. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statement in the period they are determined to be necessary. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

NOTE 3 - DEFINED CONTRIBUTION PLAN

The School contributes to a defined contribution plan, created in accordance with Internal Revenue Code Section 401(k). The plan covers full-time employees of the School. Under the plan, the School provides a match of 100% up to 4% of employee salary.

The plan's assets are administered by Mass Mutual Financial Group. The School does not exercise any control or fiduciary responsibility over the plan's assets.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

<u>Governmental activities</u>	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
Capital assets being depreciated:				
Buildings and Improvements	150,622	-		150,622
Furniture, equipment, and textbooks	1,533,859	159,680	-	1,693,539
Total capital assets being depreciated	1,684,481	159,680	-	1,844,161
Less accumulated depreciation for:				
Furniture, equipment, and textbooks	(1,131,909)	(196,680)	-	(1,328,589)
Total capital assets being depreciated, net	552,572	(37,000)	-	515,572
Governmental activities capital assets, net	\$ 552,572	\$ (37,000)	\$ -	\$ 515,572

Depreciation expense for the fiscal year ended June 30, 2018 was \$196,680 and was charged to the Instruction (\$144,802), School Administration (\$4,764), Facilities Acquisition (\$19,216), Food Services (\$1,360), and Operation of Plant (\$26,538) function/programs of the School.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Management Agreement

Academica Dade, LLC ("Academica"), an education service and support provider, offers 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 per student basis. The agreement is with City of Hialeah Educational Academy for a period of two years through June 30, 2016, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. The agreement was renewed through June 30, 2018 and is scheduled to be renewed for a term to coincide with the lease agreements. During the year ended June 30, 2018, the School incurred approximately \$371,000 in fees.

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

Funding

The School receives funding from the District which is received from the State of Florida that is based, in part on a computation of the number of full time equivalent (FTE) students enrolled in the School. The accuracy of the data provided by the School supporting the FTE count is subject to state audit and, if found to be in error, could result in refunds or in decreases in future funding allocations.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable School.

It is the opinion of management that the amount of revenue which may be remitted back to the State due to errors in the FTE count or amount of grant expenditures which may be disallowed by granting agencies, if any, will not be material to the financial position of the School.

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 - RELATED PARTY TRANSACTIONS

On June 30, 2011, the School entered into a facilities lease agreement with the City which calls for an annual base rent equal to \$550 for each student enrolled in the School. The base rent is to be paid in equal monthly installments, plus payments of insurance and utilities. The lease also calls for an annual usage fee for the use of City services and park facilities payable in equal monthly installments. The usage fee increases at 3% per year. The School paid the City \$453,200 in rent and the usage fee of \$167,569 for the fiscal year ended June 30, 2018.

On March 31, 2014, the above lease ending on August 31, 2014 was renewed for an additional four years commencing July 1, 2014 and ending on June 30, 2018. The terms of the new lease call for an annual base rent of \$550 for each student enrolled and an annual usage fee of \$96,794 for the use of City services and park facilities payable in equal monthly installments. The usage fee increases at 3% per year.

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. There have been no claims in excess of insurance coverage limits during the past three years.

The School has contracted the services of a Professional Employer Organization which provides, at the direction of the School, human resource services, a comprehensive benefits and retirement package to all School employees. Under its co-employment agreement with the School, the Professional Employer Organization is the employer of record. As a result, the School is not exposed to medical or workers' compensation claims for these individuals. School employees can only be removed, dismissed, or transferred by the Oversight Committee.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive/(Negative)</u>
REVENUES:				
Local sources	\$ 5,696,761	\$ 5,808,593	\$ 5,808,750	\$ 157
Federal through state	526,056	563,800	577,197	13,397
Charges for services	10,000	10,000	11,568	1,568
Investment Earnings	23,886	23,886	19,377	(4,509)
Miscellaneous income	11,665	11,665	18,618	6,953
Total revenues	<u>6,268,368</u>	<u>6,417,944</u>	<u>6,435,510</u>	<u>17,566</u>
EXPENSES:				
Current:				
Instruction	2,768,994	3,007,067	2,997,548	9,519
Student Support Services	110,000	122,000	120,074	1,926
Instructional staff training services	52,000	60,000	60,439	(439)
Board	12,000	19,000	13,217	5,783
School administration	749,784	766,331	751,448	14,883
Fiscal services	120,000	123,600	124,050	(450)
Food services	320,000	385,000	385,289	(289)
Central services	156,000	191,600	191,394	206
Student Transportation Services	1,687	2,000	1,076	924
Operation of plant	948,688	1,127,177	1,118,217	8,960
Maintenance of plant	75,000	109,000	88,402	20,598
Administrative Technology Services	30,000	30,000	30,087	(87)
Capital outlay	158,000	158,000	159,680	(1,680)
Total expenditures	<u>5,502,153</u>	<u>6,100,775</u>	<u>6,040,921</u>	<u>59,854</u>
Change in fund balance	<u>\$ 766,215</u>	<u>\$ 317,169</u>	<u>\$ 394,589</u>	<u>\$ 77,420</u>

CITY OF HIALEAH EDUCATIONAL ACADEMY, INC.
(A SPECIAL REVENUE FUND OF THE CITY OF HIALEAH, FLORIDA)
NOTES TO BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2018

NOTE A

The School formally adopted a budget for the fiscal year ended June 30, 2018. Budgeted amounts may be amended by resolution or ordinance by the City Council. The budget has been prepared in accordance with the accounting principles generally accepted in the United States of America. A comparison of the actual results of operations to the budgeted amounts for the School is presented as supplementary information.

NOTE B

For the fiscal year ended June 30, 2018, there were supplemental appropriations of approximately \$599,000 which were funded with additional federal and local sources received.

COMPLIANCE SECTION



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

**INDEPENDENT AUDITORS' 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***

To the Honorable Mayor and City Council Members of the
City of Hialeah, Florida
City of Hialeah Educational Academy, Inc. (a Special Revenue Fund of the City of Hialeah, Florida)
Hialeah, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the City of Hialeah Educational Academy, Inc. (a Special Revenue Fund of the City of Hialeah, Florida) (the "School") as of and for the fiscal 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 14, 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 (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 weakness 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Coral Gables, Florida
September 14, 2018



CABALLERO FIERMAN
LLERENA + GARCIA LLP
accountants | advisors

MANAGEMENT LETTER REQUIRED BY SECTION 10.850 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor and City Council Members of the
City of Hialeah, Florida
City of Hialeah Educational Academy, Inc. (a Special Revenue Fund of the City of Hialeah, Florida)
Hialeah, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Hialeah Educational Academy, Inc. (a Special Revenue Fund of the City of Hialeah, Florida) (the "School"), as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated September 14, 2018.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent 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 that report which is dated September 14, 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/or recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity be disclosed in this management letter. The official title of the entity is City of Hialeah Educational Academy, Inc.

Financial Condition and Management

Section 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 identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Our assessment was performed as of June 30, 2018.

Financial Condition and Management (Continued)

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, City Commission, School's management and the School Board of Miami-Dade County and is not intended to be and should not be used by anyone other than these specified parties.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Coral Gables, Florida
September 14, 2018