

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
TABLE OF CONTENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>PAGES</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis (Unaudited)	3-7
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Fund	10
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position	11
Statement of Revenues, Expenditures and Change in Fund Balance – Governmental Fund	12
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balance of the Governmental Fund to the Statement of Activities	13
Notes to Basic Financial Statements	14-19
Required Supplementary Information (Unaudited):	
Schedule of Revenues and Expenditures and Change in Fund Balance Budget and Actual	20
Note to Required Supplementary Information	21
Compliance Section:	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	22-23
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	24-25

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Commission
City of Aventura, Florida
Don Soffer Aventura High School (a Special Revenue Fund of the City of Aventura, Florida)
Aventura, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Don Soffer Aventura High School (a Special Revenue Fund of the City of Aventura, Florida) (the "School"), as of and for the fiscal year ended June 30, 2020, 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 Don Soffer Aventura High School, as of June 30, 2020, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As explained in Note 1 to the financial statements, the financial statements being presented are only for the School referred to above, which is a special revenue fund of the City of Aventura, Florida. The financial statements do not include the financial statements of the City of Aventura, Florida. Accordingly, the accompanying financial statements are not intended to present the financial position of the City of Aventura as of June 30, 2020 or its changes in financial position and cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Our opinion is not modified with respect to this matter.

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 20 and 21 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 4, 2020, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Caballero Fierman Llerena & Garcia, LLP

Caballero Fierman Llerena & Garcia, LLP
Miami, Florida
September 4, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

DON SOFFER AVENTURA HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Our discussion and analysis of the Don Soffer Aventura High School's (the "School") financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the School's basic financial statements which immediately follow this discussion.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements, which consist of the statement of net position and the statement of activities, 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 financial information on all of the School's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the School's financial position is improving or deteriorating. However, as a governmental entity, the School's activities are not geared toward generating profit as are the activities of commercial entities. Other factors such as School safety and the quality of education, must be considered in order to reasonably assess the School's overall performance.

The statement of activities presents financial information and shows how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School has only one (1) category of funds – governmental funds.

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

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

Notes to the basic financial statements

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

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School's adopted budget to actual results.

DON SOFFER AVENTURA HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Government-Wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of financial position. The following table presents an analysis of the condensed government-wide statements of net position:

Don Soffer Aventura High School Summary of Net Position	
	<u>2020</u>
Assets:	
Current assets	\$ 682,914
Total assets	<u>682,914</u>
Liabilities:	
Current liabilities	2,022,771
Noncurrent liabilities	<u>20,600</u>
Total liabilities	<u>2,043,371</u>
Net position:	
Unrestricted	<u>(1,360,457)</u>
Total net position	<u><u>\$ (1,360,457)</u></u>

At June 30, 2020 after the School completed its first year of operations; the School had total assets of \$682,914 which consisted of cash and accounts receivable. Total liabilities of the School at June 30, 2020 were approximately \$2,043,000; which primarily consisted of a payable amount to Charter Schools USA (the Management Company) for invoices that were paid on behalf of the School.

The following table presents information of the condensed government-wide statements of changes in net position:

Don Soffer Aventura High School Summary of Changes in Net Position	
	<u>2020</u>
Revenues:	
General revenues	\$ 1,558,509
Program revenues:	
Charges for services	51,407
Operating grants and contributions	179,686
Capital grants and contributions	<u>102,047</u>
Total revenues	<u>1,891,649</u>
Expenses:	
Instruction	357,114
Instructional media services	170,211
Operation of facility	504,170
School administration	194,963
Pupil transportation services	90,006
Community services	<u>1,493,700</u>
Total expenses	<u>2,810,164</u>
 Change in net position	 <u><u>\$ (918,515)</u></u>

DON SOFFER AVENTURA HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Government-Wide Financial Analysis (Continued)

- General revenues for the Year Ended June 30, 2020 totaled approximately \$1,559,000; which consist mainly of per pupil funding.
- Program revenues totaled \$333,140 and consist primarily of a portion of the Florida Department of Education's Public Charter School Program ("CSP") Planning, Program Design and Implementation Grant and Capital Outlay revenue that was received during the year.
- Expenses totaled \$2,810,164 for the year with the main expenditure line items being instructional salaries and administrative expenses.

Financial Analysis of the School's Funds

As noted earlier, the School uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The focus of the School's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2019/20 the School's governmental fund reported a deficit fund balance of \$1,339,857. Although the School's first year of operations was fiscal year 2019/20, the Charter High School Fund was established in fiscal year 2017/18. Through an Advance from the General Fund, fees related to the planning phase and costs associated with the charter school application and contract process were incurred and covered which resulted in a fund deficit.

In fiscal year 2018/19 the Charter High School Fund incurred additional start-up expenditures so that the School would be ready to open for the 2019/20 School Year in August of 2019. These costs increased the fund deficit over the prior year and were again covered through a planned and budgeted Advance from the City's General Fund.

In fiscal year 2019/20 the School opened and enrolled 200 9th grade students and was planned to operate at a deficit since it would not be operating at full enrollment. Again the deficit was covered by a planned and budgeted Advance from the City's General Fund.

The School will likely operate at a deficit, (which the City is committed to covering) through a planned and budgeted Advance from the City's General Fund at least until the School reaches build-out in three (3) years. The hope would be that once expenditures begin to level out, the School Fund could over time repay the Advance from the City's General Fund.

Budgetary Highlights

The 2020/21 school year represents the 2nd year of the School's operations. During the past year, the budget was built around the educational requirements to accommodate 200 9th grade students as well as to begin to employ the leadership staff necessary to meet the full capacity of the school as it grows. The budget was prepared based on information and input provided by members from several divisions from Charter Schools USA ("CSUSA") and the School's Principal. In the coming year, the budget was designed to meet the educational requirements that accommodate 415 9th and 10th grade students, while continuing to employ staff that possess the leadership qualities that will help the School achieve full enrollment over the next two (2) years.

Capital Assets and Debt Administration

For the School's first year of operations, all capital assets are recorded on the City of Aventura's Charter School Construction Fund; therefore there are no capital assets recorded at the School.

The School has no outstanding debt.

DON SOFFER AVENTURA HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Economic Factors

Facts, decisions or conditions that are expected to have a significant effect on the financial position or results of operations of the School in fiscal year 2020/21 include the following:

- At the time this Special Purpose Financial Report was prepared, we were in the middle of the "COVID-19" global pandemic. This rapidly evolving situation is surrounded by uncertainty at every level. It is difficult to determine what effect the pandemic could have on the School's revenues and expenditures. The School is maintaining remote learning into next year, until it is safe to allow students and faculty back into the facilities.
- In fiscal year 2019/20, the State of Florida increased its Florida Education Finance Program base funding, safe schools and mental health initiative allocations. The capital outlay funding pool increased to \$158 million and a 2% merit increase was also paid out to eligible staff.
- For fiscal year 2020/21, capital outlay revenue per student was assumed to remain flat in comparison to the current rate per student. The budgets reflect the Florida Education Finance Program funding increase to fund teacher salary increases. A 2% merit increase for all staff was also budgeted. The budgets for the Miami-Dade, Palm Beach and St. Lucie Districts assume an increase in stipends for teacher referendum. All other expenditures are budgeted in alignment with enrollment changes and the school's strategic objectives.

The following are the major highlights of the 2020/21 budget:

- The school budget is based on a projected enrollment of 415 9th and 10th grade students.
- A City subsidy of \$487,870 (consistent with the prior year estimate) from the City's General Fund was required to balance the budget in order to maintain the following:
 - Adopt a Pay Plan that allows the School to maintain, attract and retain highly-qualified teachers at competitive salary levels; and to
 - Continue to meet the educational and technology/digital priorities established by the City Commission.
- CSUSA has once again agreed to provide a subsidy to the School in an effort to assist the City in balancing the budget. In the coming year, CSUSA will increase their subsidy from the current year amount of \$65,000 to \$154,498 by reducing their management fee and by not charging the School for services normally provided and charged to other schools that they manage.
- The total number of employees includes 32.5 positions (32 full-time and 1 part-time positions) at a projected cost of \$2,667,272. Included in the number of full-time positions are 23 instructional staff members (an increase of 9 positions over the year-end forecast).
- Vendor Services includes contracted pupil transportation for two (2) buses to transport students that live two (2) miles or more from the School at a cost of \$115,668.
- In order to continue implementation of the flexible digital learning environment designed to prepare the students for the future, more than \$255,000 has been budgeted for instructional licenses and textbooks under Instructional Expenditures.

Capital expenditures includes \$250,000 for costs associated with acquiring FF&E with \$250,000 in funds provided from the CSP Grant.

Compensation for Personnel Services

Total Compensation for Personnel Services is budgeted at \$2,667,272 or 59.82% of the budget or 67.17% of total operating revenue. This category includes 32.5 employees (32 full-time and 1 part-time), including 23 full-time instructional staff positions and 9.5 administrative staff positions. In order to maintain, attract and retain highly qualified teachers, salaries for this category reflect increases of \$79,856 worth of FTE funds that have been specifically earmarked by the Florida Legislature for teacher salary increases and stipends of \$80,500 in lieu of the Miami-Dade County Referendum. All employees are under contract with CSUSA.

DON SOFFER AVENTURA HIGH SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Requests for Information

This financial report is designed to provide a general overview of the Don Soffer Aventura High School's finances for all those with an interest. If you should have any questions pertaining to the information presented in this report or would like additional information, please contact Charter Schools USA's Controller, Maria Garzon, at 800 Corporate Drive, Fort Lauderdale, FL 33334.

BASIC FINANCIAL STATEMENTS

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS

Current assets:	
Cash and cash equivalents	\$ 33,805
Accounts receivable	19,276
Due from City of Aventura	<u>629,833</u>
Total current assets	<u>682,914</u>
Total assets	<u>682,914</u>

LIABILITIES

Current liabilities:	
Accounts payable	346,084
Due to management company	925,286
Due to City of Aventura's General Fund	645,825
Accrued expenses	<u>105,576</u>
Total current liabilities	<u>2,022,771</u>
Noncurrent liabilities:	
Compensated absences	<u>20,600</u>
Total noncurrent liabilities	<u>20,600</u>
Total liabilities	<u>2,043,371</u>

NET POSITION

Unrestricted	<u>(1,360,457)</u>
Total net position	<u>\$ (1,360,457)</u>

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Program Revenues				Governmental
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities Net Revenue (Expense) and Change in Net Position
Functions/Programs:					
Instruction	\$ 357,114	\$ -	\$ -	\$ -	\$ (357,114)
Instructional media services	170,211	-	-	-	(170,211)
Operation of facility	504,170	51,407	153,187	102,047	(197,529)
School administration	194,963	-	-	-	(194,963)
Pupil transportation services	90,006	-	26,499	-	(63,507)
Community services	<u>1,493,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,493,700)</u>
Total governmental activities	<u>\$ 2,810,164</u>	<u>\$ 51,407</u>	<u>\$ 179,686</u>	<u>\$ 102,047</u>	<u>(2,477,024)</u>
General revenues:					
FTE nonspecific revenues					1,396,071
Miscellaneous income					115,079
Other					<u>47,359</u>
Total general revenues					<u>1,558,509</u>
Change in net position					<u>(918,515)</u>
Net position, beginning					<u>(441,942)</u>
Net position, ending					<u>\$ (1,360,457)</u>

See notes to basic financial statements

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2020

	<u>ASSETS</u>	
Cash and cash equivalents		\$ 33,805
Accounts receivable		19,276
Due from City of Aventura		<u>629,833</u>
Total assets		<u>\$ 682,914</u>
	<u>LIABILITIES</u>	
Accounts payable		\$ 346,084
Due to management company		925,286
Due to City of Aventura's General Fund		645,825
Accrued expenses		<u>105,576</u>
Total liabilities		<u>2,022,771</u>
	<u>FUND BALANCE</u>	
Unassigned		<u>(1,339,857)</u>
Total fund balance		<u>(1,339,857)</u>
Total liabilities and fund balance		<u>\$ 682,914</u>

See notes to basic financial statements

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total fund balance - governmental fund	\$(1,339,857)
Long-term liability which is not due and payable in the current period; and therefore, is not reported in the governmental fund:	
Compensated absences	<u>(20,600)</u>
Net position of governmental activities	<u>\$(1,360,457)</u>

See notes to basic financial statements

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

REVENUES:

Federal sources	\$ 8,075
State sources	1,669,729
Local sources	<u>213,845</u>
Total revenues	<u>1,891,649</u>

EXPENDITURES:

Current:

Instruction	357,114
Instructional media services	170,211
Operation of facility	286,914
School administration	174,363
Pupil transportation services	90,006
Salaries	1,493,700
Repair and maintenance	95,776
Capital outlay	<u>121,480</u>
Total expenditures	<u>2,789,564</u>
Deficiency of revenues over expenditures	<u>(897,915)</u>

Net change in fund balance (897,915)

Fund balance, beginning (441,942)

Fund balance, ending \$ (1,339,857)

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCE - GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Net change in fund balance - total governmental fund \$ (897,915)

Amounts reported for governmental activities in the statement of activities (Page 12) are different because:

Some revenues and expenses reported in the statement of activities are not reported in the governmental fund because they have no effect on current financial resources:

Change in compensated absences payable (20,600)

Change in net position of governmental activities \$ (918,515)

NOTES TO BASIC FINANCIAL STATEMENTS

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - ORGANIZATION AND OPERATIONS

Don Soffer Aventura High School (the "School"), is a special revenue fund of the financial statements of the City of Aventura, Florida (the "City"). The School commenced operations in August 2019 in the City and offers classes for ninth grade and tenth through twelfth coming in subsequent years. The School has an enrollment of 200 for the year ended June 30, 2020. The School is funded from public funds based on enrollment and can also be eligible for grants in accordance with state and federal guidelines, including food service and capital outlay. The School can accept private donations and the City can incur debt for the operation of the School.

The School is part of the City's government and is not a separate legal entity apart from the City. The financial statements of Don Soffer Aventura High 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, 2020, and its changes in financial position of budgetary comparison, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 by the sponsoring school district, the Miami-Dade County Public School District (the "District"). The current charter is effective until June 30, 2034 but provides for a renewal of up to 15 years by mutual agreement of both parties. 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.

The School is owned and operated by the City, is part of the City's government and is not a separate legal entity or otherwise organized apart from the City. The City was incorporated in November 1995. The City operates under a Commission-Manager form of government. In accordance with Chapter 10.850, *Rules of the Auditor General of the State of Florida*, the School is required to prepare special purpose financial statements. Section 10.855(4) states that the special purpose financial statements should present the charter school's financial position including the charter school's current and capital assets and current and long-term liabilities, and net position: and the changes in financial position. The financial statements contained herein present only the operations of the School and do not purport to, and do not, present the financial position and changes in financial position of the City. Only capital assets acquired with School revenues are reported. The facility used by the School is owned by the City and the capital assets and related debt for the facilities are not included in this report.

B. Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants, Audit and Accounting Guide – Audits of State and Local Governments and the provisions of Section 228.056(9), 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 of 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 three (3) categories: investment in capital assets; restricted; and unrestricted.

The government-wide statement of activities reports both the gross and net cost of each of the School's

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-wide Financial Statements (continued)

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 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 is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures.

The Charter School operating fund is a governmental fund type and is used to account for all of 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.

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). Revenues susceptible to accrual include FTE nonspecific revenue, transportation funds, capital grant funds, operating grants and contributions and investment earnings. Intergovernmental revenues are recognized when all eligibility requirements have been met, if 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. 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.

F. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are capitalized at historical cost or estimated historical cost and are reported in the government-wide financial statement. 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.

Capital assets, which include equipment acquired with state shared revenues are reported in the government-wide financial statements.

Depreciation on equipment is provided on the straight-line basis over the respective estimated useful lives ranging from 3 to 10 years.

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.

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets (continued)

As of June 30, 2020, the School did not own any of the capital assets in use at the School. All capital assets are owned by the City.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

H. Unearned Revenue

Unearned revenue arises when the School receives resources before it has a legal claim to them.

I. Net Position Classifications

Government-wide financial statements

Net position is 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, 2020, the School did not have capital assets or any outstanding debt.
- *Restricted* - 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) imposed by law through constitutional provisions or enabling legislation. There is no restricted net position as of the year-end.
- *Unrestricted* – indicates that portion of net position that is available to fund future operations and that do not meet the definition of “restricted” or “net investment in capital assets”.

J. Fund Balance Classifications

Fund financial statements

The School follows the provisions of Governmental Accounting Standards Board (“GASB”) requirements pertaining to *Fund Balance Reporting and Governmental Fund Type Definitions*. This requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The following classifications describe the relative strength of the spending constraints:

- *Non-spendable Fund Balance* – amounts that are not in spendable form (such as prepaid items) or are legally or contractually required to be maintained intact. As of June 30, 2020, the School did not have any amounts classified as non-spendable.
- *Restricted Fund Balance* – amounts that are constrained to specific purposes by external providers (such as grantors, creditors, etc.) or imposed by law through constitutional provisions, or by enabling legislation.

**DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Balance Classifications (Continued)

- *Committed Fund Balance* – amounts constrained to specific purposes by formal action of the government's highest level of decision making authority. The City Commission is the highest level of decision-making authority for the government and School that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.
- *Assigned Fund Balance* – amounts the School intends to use for a specific purpose but are neither restricted nor committed. Assignments can be made by the City Manager, which the City Commission Members, by resolution, delegated such authority at their direction.
- *Unassigned Fund Balance* – amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes. As of June 30, 2020, the School reported negative unassigned fund balance of \$ 1,339,857. For further information please refer to Note 6.

The School uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the School would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

K. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration.

Encumbrances are recorded at the time a purchase order or other commitment is entered into. Encumbrances outstanding at year-end represent the estimated amount of expenditures which would result if unperformed purchase orders and other commitments at year-end are completed. Encumbrances lapse at year-end; however, the City and School generally intends to honor purchase orders and other commitments in process. As a result, encumbrances outstanding at year-end are re-appropriated in the next fiscal year and are therefore presented as committed or assigned fund balance for the subsequent year.

As of June 30, 2020, there were no encumbrances outstanding.

L. Deposits and Investments

The School's cash and cash equivalents are maintained by the City in a pooled account for all funds. This enables the City to invest large amounts of idle cash for short periods of time and to optimize earnings potential. Cash and cash equivalents represent the amount owned by the Charter School operating fund. The City is responsible for all risks related to the School's cash and cash equivalents.

The City's custodial credit risk policy is in accordance with Florida Statutes. Florida Statutes authorize the deposit of City funds in demand deposits or time deposits of financial institutions approved by the State Treasurer. These are defined as public deposits. All City public deposits are held in qualified public depositories pursuant to Chapter 280, Florida Statutes, "Florida Security for Public Deposits Act." Under the act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 50% to 125% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with the State Treasurer. Any losses to public depositories resulting from insolvency are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessment against other qualified public depositories of the same type as the depository in default. The City's bank balances were insured either by the Federal depository insurance corporation or collateralized in the bank's participation in the Florida Security for Public Deposits Act.

**DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

The School's sick leave policy is 10-month full time school-based employees accrue 3.2 hours of PTO time on each paycheck up to 64 hours while they are working throughout the school year. PTO does not accrue over the summer for 10-month employees. Personal time off does not accrue if you are on Leave of Absence 12-month full time school based employees accrue Personal time off from August 1st through July 31st. Unused personal time off hours over 40 are purged on August 1st. 12-month full time non-school based employees accrue personal time off per paycheck from January 1st through December 31st. All employees must complete 30 days of consecutive employment before utilizing any personal time off. personal time off accrual rates are determined by length of service and by employment status. Accumulated compensated absences are recorded in the government-wide financial statements when earned. Expenditures for accumulated compensated absences have been recorded in the governmental fund only if they have matured, (e.g., resulting from employee resignations, terminations, or retirements).

N. State Funding (Primary Source of Revenue)

Student funding is provided by the State of Florida through the School Board of Miami-Dade County, Florida. 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 Full-Time Equivalent ("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.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 - LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for fiscal year ended June 30, 2020:

	Balance			Balance	Amount Due
	July 1, 2019	Additions	Deletions	June 30, 2020	Within One Year (Estimate)
Compensated absences	\$ -	\$ 20,600	\$ -	\$ 20,600	\$ -

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Management contract

The City has a contract with Charter Schools USA, Inc. ("CSUSA") for administrative and educational management services for the operations of the School. All staff of the School are employees of CSUSA. Total fees paid to the management company for fiscal year 2019/20 were approximately \$90,000. The majority of other reimbursed expenditures by the City to CSUSA relate to teachers' salaries and benefits.

The current agreement with CSUSA will expire on June 30, 2024. This agreement provides for an additional renewal term of up to five years upon agreement of both parties and provided the Miami-Dade County School Board extends the charter granted to the City. The fee for services is \$90,000 annually, and to be negotiated thereafter upon reaching a renewal arrangement.

**DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grant funding

The School receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the School was not required to conduct a "single audit" since the required threshold of federal or state money is currently \$750,000 and the School did not exceed such threshold.

NOTE 5 - 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, employee health, workers' compensation and natural disasters for which the City carried commercial insurance. Settlement amounts have not exceeded insurance coverage for the past three (3) years. In addition, there were no reductions in insurance coverage from those in the prior year.

NOTE 6 - FUND BALANCE DEFICIT

At the end of fiscal year 2019/20 the School's governmental fund reported a deficit fund balance of \$1,339,857. Although the School's first year of operations was fiscal year 2019/20, the Charter High School Fund was established in fiscal year 2017/18. Through a planned and budgeted Advance from the General Fund, fees related to the planning phase and costs associated with the charter school application and contract process were incurred and covered which resulted in a fund deficit.

In fiscal year 2018/19 the Charter High School Fund incurred additional start-up expenditures so that the School would be ready to open for the 2019/20 School Year in August of 2019. These costs increased the fund deficit over the prior year and were again covered through a planned and budgeted Advance from the City's General Fund.

In fiscal year 2019/20 the School opened and enrolled 200 9th grade students and was planned to operate at a deficit since it would not be operating at full enrollment. Again, the deficit was covered by a planned and budgeted Advance from the City's General Fund.

The School will likely operate at a deficit, (which the City is committed to covering) through a planned and budgeted Advance from the City's General Fund at least until the School reaches build-out in three (3) years. Once expenditures begin to level out, the School Fund could over time repay the Advance from the City's General Fund.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Variance</u>
Revenues and transfers:				
FTE nonspecific revenues	\$ 1,357,800	\$ 1,427,500	\$1,396,071	\$ (31,429)
Capital grant funds	116,463	102,282	102,047	(235)
Charges for services	38,590	51,333	51,407	74
Miscellaneous income	135,000	115,000	115,079	79
Transportation funds	-	32,396	26,499	(5,897)
Transfers from other funds of the City	-	-	47,359	47,359
Operating grants and contributions	<u>665,068</u>	<u>264,008</u>	<u>153,187</u>	<u>(110,821)</u>
Total revenues and transfers	<u>2,312,921</u>	<u>1,992,519</u>	<u>1,891,649</u>	<u>(100,870)</u>
Expenditures:				
Salaries	1,280,208	1,376,271	1,268,651	107,620
Professional services	330,450	186,482	338,188	(151,706)
Repairs and maintenance	160,574	177,345	178,276	(931)
Payroll taxes	100,196	121,180	108,462	12,718
Administration fee	66,350	73,211	69,826	3,385
Employee benefits	95,001	83,828	83,894	(66)
Supplies and events	57,560	184,197	183,851	346
Instruction expense	130,000	106,190	102,174	4,016
Administrative expense	(7,140)	162,265	20,206	142,059
Capital outlay	707,399	153,475	156,290	(2,815)
Utilities	86,986	97,688	90,472	7,216
Textbooks and software	20,000	40,600	40,600	-
Bonuses	-	7,791	8,593	(802)
Food services	42,840	73,425	60,032	13,393
Workers' compensation insurance	15,489	8,320	8,249	71
Telephone	70,500	39,587	40,250	(663)
Retirement contributions	4,899	7,564	1,254	6,310
Insurance	17,000	10,599	12,038	(1,439)
Travel	5,500	2,513	2,562	(49)
Stipends	12,500	12,500	14,597	(2,097)
Dues and fees	<u>500</u>	<u>828</u>	<u>1,099</u>	<u>(271)</u>
Total expenditures	<u>\$ 3,196,812</u>	<u>\$ 2,925,859</u>	<u>\$2,789,564</u>	<u>\$ 136,295</u>
Revenues over (under) expenditures	(883,891)	(933,340)	(897,915)	(237,165)
Fund balance appropriated	<u>883,891</u>	<u>933,340</u>	<u>707,399</u>	<u>225,941</u>
Net change in fund balance	<u>\$ (883,891)</u>	<u>\$ (933,340)</u>	<u>\$ (897,915)</u>	<u>\$ 35,425</u>

See note to required supplementary information

DON SOFFER AVENTURA HIGH SCHOOL
(A SPECIAL REVENUE FUND OF THE CITY OF AVENTURA, FLORIDA)
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

The School formally adopted a budget for the year ended June 30, 2020. Budgeted amounts may be amended by resolution or ordinance by the City Commission. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. A comparison of the actual results of operations to the budgeted amounts for the operating fund is presented as required supplementary information.

COMPLIANCE SECTION

**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**

Honorable Mayor and Members of the City Commission
City of Aventura, Florida
Don Soffer Aventura High School (a Special Revenue Fund of the City of Aventura, Florida)
Aventura, 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 Don Soffer Aventura High School (a Special Revenue Fund of the City of Aventura, Florida) (the "School") as of and for the fiscal year ended June 30, 2020, 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, 2020.

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 opinion 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 School's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
Miami, Florida
September 4, 2020

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor and Members of the City Commission
City of Aventura, Florida
Don Soffer Aventura high School (a Special Revenue Fund of the City of Aventura, Florida)
Aventura, Florida

Report on the Financial Statements

We have audited the basic financial statements of Don Soffer Aventura high School (a Special Revenue Fund of the City of Aventura, Florida) (the "School"), as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated September 4, 2020.

Auditors' 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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 4, 2020, 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. There were no prior audit finding and recommendations associated with this report as this is a first-year audit.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Don Soffer Aventura high School and 0950.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific conditions 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. Our assessment was performed as of the fiscal year end.

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.

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 information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note 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
Miami, Florida
September 4, 2020