

EARLY BEGINNINGS ACADEMY
(A Charter School)

SPECIAL PURPOSE FINANCIAL STATEMENTS

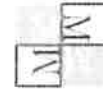
YEARS ENDED JUNE 30, 2017 AND 2016

EARLY BEGINNINGS ACADEMY

TABLE OF CONTENTS

PAGE

INDEPENDENT AUDITOR'S REPORT	1
SPECIAL PURPOSE FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Special Purpose Financial Statements	6
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	12
MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	14



Menendez & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying special purpose financial statements of Early Beginnings Academy (the "School"), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these special purpose 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 special purpose financial statements are free from material misstatement.

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

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

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.
Miami, Florida

As explained in Note 1 to the special purpose financial statements, the financial statements being presented is only for the School referred to above, which is a program of United Cerebral Palsy of South Florida Charter Schools, Inc. The special purpose financial statements do not include the statements of financial position, activities and changes in net assets and cash flows of United Cerebral Palsy of South Florida Charter Schools, Inc. (a not-for-profit organization). Accordingly, the accompanying special purpose financial statements are not intended to present the financial position of United Cerebral Palsy of South Florida Charter Schools, Inc. as of June 30, 2017 and 2016 or its results of operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Opinion

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of Early Beginnings Academy as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2017, 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.

Menendez & Company

Pembroke Pines, FL
August 29, 2017

EARLY BEGINNINGS ACADEMY
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 358,127	\$ 481,876
Accounts receivable, net	129,576	132,272
Unemployment reserve	3,553	4,417
Prepaid expenses	850	6,425
TOTAL CURRENT ASSETS	492,106	624,990
PROPERTY AND EQUIPMENT, net	15,260	5,168
TOTAL ASSETS	\$ 507,366	\$ 630,158
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 10,848	\$ 13,198
Payroll related liabilities	17,751	15,997
Due to United Cerebral Palsy Association of Miami, Inc.	16,548	276,521
TOTAL CURRENT LIABILITIES	45,147	305,716
NET ASSETS		
Unrestricted net assets	462,219	324,442
TOTAL NET ASSETS	462,219	324,442
TOTAL LIABILITIES AND NET ASSETS	\$ 507,366	\$ 630,158

The accompanying notes are an integral part of the special purpose financial statements.

**EARLY BEGINNINGS ACADEMY
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
CHANGES IN UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
School Board of Miami-Dade County		
FEFP Funding	\$ 2,076,364	\$ 2,043,298
IDEA Funding	126,290	131,863
Capital Outlay Funding	44,172	20,447
Contributions	14	3,821
Other	36,184	39,568
	2,283,024	2,238,997
TOTAL REVENUES		
 EXPENSES		
Exceptional student instruction	867,683	967,866
Pupil personnel services	310,671	303,990
Instructional and curriculum development services	7,224	3,257
Instructional staff training services	6,093	-
Board	21,500	21,800
School administration	276,363	303,140
Facilities acquisition and construction - capital outlay	-	2,565
Fiscal services	262,953	199,223
Central services	10,033	8,955
Pupil transportation services	226,754	225,053
Operation of plant	151,567	127,511
Depreciation	4,406	3,454
	2,145,247	2,166,814
TOTAL EXPENSES		
INCREASE IN UNRESTRICTED NET ASSETS	137,777	72,183
 NET ASSETS AT BEGINNING OF YEAR	324,442	252,259
NET ASSETS AT END OF YEAR	\$ 462,219	\$ 324,442

The accompanying notes are an integral part of the special purpose financial statements.

**EARLY BEGINNINGS ACADEMY
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 137,777	\$ 72,183
Adjustment to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,406	3,454
Decrease (increase) in:		
Accounts receivable	2,696	5,678
Unemployment reserve	864	6,076
Prepaid expenses	5,575	(1,944)
(Decrease) increase in:		
Accounts payable and accrued expenses	(2,350)	10,336
Payroll related liabilities	1,754	7,386
TOTAL ADJUSTMENTS	12,945	30,986
NET CASH PROVIDED BY OPERATING ACTIVITIES	150,722	103,169
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to furniture and equipment	(14,498)	-
NET CASH USED IN INVESTING ACTIVITIES	(14,498)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in balance due to/from United Cerebral Palsy Association of Miami, Inc.	(259,973)	187,657
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(259,973)	187,657
NET (DECREASE) INCREASE IN CASH	(123,749)	290,826
CASH AT BEGINNING OF YEAR	481,876	191,050
CASH AT END OF YEAR	\$ 358,127	\$ 481,876

The accompanying notes are an integral part of the special purpose financial statements.

**EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

Note 1 NATURE OF ACTIVITIES

Nature of Activities

United Cerebral Palsy of South Florida Charter Schools, Inc. (the Organization) is a non-profit organization incorporated under the laws of the State of Florida to provide educational and support services to developmentally disabled children and adolescents ages birth through 22 years; be a community resource for children and adolescents with developmental disabilities; and provide daycare, after school and other related services to children and adolescents of the community, including operating charter schools organized pursuant to Section 228.056 of the Florida Statutes (2001).

On November 17, 2004, the School Board of Miami-Dade County, Florida (the School Board) approved the applications submitted by the Board of Directors of United Cerebral Palsy of South Florida Charter Schools, Inc. for the creation of the Early Beginnings Academy (the School) and the Early Beginnings Academy North Shore Charter School (EBA North Shore). The charter school contract for the School was amended on May 16, 2007 consolidating the operation of the School and EBA North Shore effective for the school year 2007-2008 and providing for operation of the School at three locations (Civic Center, North Shore and Hialeah) serving special education students grades Pre-K to 1st grade. The Organization board of directors approved the closing of the Hialeah location to be effective for the 2012-2013 school year, however, the school may be re opened at a later date. The maximum enrollment capacity of the School is 150 students.

The School currently operates under a charter with the School Board that was approved for a second renewal on June 18, 2015 for an additional 10 years ending on June 30, 2025. The charter may be renewed by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter in which case the School Board is required to notify the School in writing at least 90 days prior to the charter's termination. Pursuant to Section 228.056(11)(e), Florida Statutes (2001), the charter school contract provides that in the event the School is dissolved or terminated, any unencumbered funds and all school property purchased with public funds automatically revert to the School Board. During the term of the charter, the School Board may also terminate the charter if good cause is shown.

The School is accounted for as a program of the Organization. The governing body of the School is the Organization's Board of Directors.

Board of Directors

The Board of Directors of United Cerebral Palsy of South Florida Charter Schools, Inc. consists of the following members:

Roy R. Lustig	Chairperson/President
Anne Steinhart	Vice-Chairperson/Secretary
Marianne Bennett	Treasurer
Jeremy Steinhart	Member
Silvia Calderon	Parent Member

**EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

Note 1 NATURE OF ACTIVITIES (Continued)

School Location and Enrollment

<u>School Name and Addresses</u>	<u>Location No.</u>	<u>Grades</u>	<u>Enroll- ment</u>	<u>School Principal</u>
Early Beginnings Academy	4070	Pre-K, K – 2 nd	127	Makeesha Coleman

Location at Civic Center:
1411 N.W. 14th Avenue
Miami, Florida 33125

Location at North Shore:
985 N.W. 91st Street
Miami, Florida 33150

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements, disclosures and account classifications are presented pursuant to the accounting regulations promulgated by the State of Florida Department of Education. The special purpose financial statements present the financial position, activities, net assets and cash flows for the Early Beginnings Academy only and do not include the assets, liabilities, net assets and statements of activities and cash flows of United Cerebral Palsy of South Florida Charter Schools, Inc.

For financial reporting purposes, Early Beginnings Academy is a program of United Cerebral Palsy of South Florida Charter Schools, Inc. and is included in the Organization's annual financial statements.

Classification of Net Assets

Activities of the School are recorded in its Statements of Financial Position and Activities according to three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) based upon the existence or absence of donor-imposed restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, short-term marketable investments purchased with an original maturity date of three months or less are considered to be cash equivalents.

Credit Risk

Financial instruments which potentially subject the School to concentration of credit risk consist principally of cash and accounts receivable. The School maintains its cash in bank deposit accounts which, at times, may exceed the Federal Deposit Insurance Corporation ("FDIC") insured limits up to \$250,000. At June 30, 2017, the School had uninsured cash balances of approximately \$89,000.

EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016

Note 2 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. However, donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Accounts Receivable

The School uses the allowance method to account for uncollectible accounts receivable. The allowance for doubtful accounts is based on management analysis of possible bad debts. As of June 30, 2017 and 2016, there was no allowance for doubtful accounts.

Property and Equipment

Property and equipment are recorded at cost, except for donated assets which are recorded at their estimated fair value at the date of donation. The straight-line method is used to provide for depreciation over three to ten year estimated useful lives of the assets. The School capitalizes assets with a cost greater than \$1,000 and a useful life greater than one year. Maintenance and repairs are expensed as incurred; replacements and improvements are capitalized.

Impairment of Long Lived Assets

Long lived assets held and used by the School are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. The School evaluates recoverability of assets to be held and used by comparing the carrying amount of an asset to future net undiscounted cash flows to be generated by the asset. If an asset is considered to be impaired, the impairment to be recognized is equal to the amount by which the carrying amount of the asset exceeds the asset's fair value calculated using a discounted future cash flows analysis or market comparables. Assets held for sale, if any, are reported at the lower of the carrying amount or fair value less cost to sell.

Revenue Sources

Student funding is provided by the State of Florida Department of Education (FDOE) through the School Board of Miami-Dade County, Florida. This funding is received on a pro-rata basis over the twelve month period based on the student attendance reported by the school during the designated Full-Time Equivalent (FTE) survey periods.

In accordance with the charter agreement, the School Board retains five percent as an administrative fee, approximately \$42,000 and \$54,000 during the years ended June 30, 2017 and 2016 and are reflected as a reduction against FEFP funding on the statement of activities.

**EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

Note 2 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources (Continued)

Section 1013.62(1), Florida Statutes, establishes eligibility criteria and allocation procedures for the distribution of capital outlay funds to charter schools. Distributions from capital outlay funds are sent on a monthly basis to the sponsoring school district, which in turn remits funds to the charter schools. Pursuant to Section 1013.62(2), Florida Statutes, charter school capital outlay funds may be use only for specific purposes in which the School has complied. The School receives an annual allocation of charter school capital outlay funds for leasing of school facilities.

The School also receives federal awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted and approved by various granting agencies. For federal awards which require incurring eligible expenditures, revenue is recognized to the extent eligible expenditures have been incurred. In the fiscal years 2017 and 2016, the School received a federal award through Individuals with Disability Education Act (IDEA).

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 TAX STATUS

The Organization, and therefore the School, is a non-profit organization exempt from federal income taxes under Sec. 501(c)(3) of the Internal Revenue Code and has been classified as a public charity. The School's activities have been in furtherance of the Organization's tax-exempt purpose and there is no unrelated business income subject to taxation. As of June 30, 2017, with a few exceptions, the School is no longer subject to income tax examinations by the United States federal taxing authority for any tax year before 2014.

Note 4 PROPERTY AND EQUIPMENT

For the years ended June 30, 2017 and 2016, the School's property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 119,445	\$ 111,849
Building improvements	<u>6,902</u>	<u>-</u>
	126,347	111,849
Less: Accumulated depreciation	<u>111,343</u>	<u>106,681</u>
	<u>\$ 15,260</u>	<u>\$ 5,168</u>

**EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

Note 4 PROPERTY AND EQUIPMENT (Continued)

Depreciation expense for the years ended June 30, 2017 and 2016 was \$4,406 and \$3,454, respectively.

Upon non-renewal or termination of the School's contract with the School Board, any property, improvements, furnishings and equipment purchased with public funds shall automatically revert to the School Board. As of June 30, 2017, the cost and the net book value of property and equipment purchased with public funds was \$116,343 and \$15,260, respectively.

Note 5 RELATED PARTY TRANSACTIONS

Because of the existence of common members on the board of directors and other factors, United Cerebral Palsy of South Florida Charter Schools, Inc. and United Cerebral Palsy Association of Miami, Inc. (UCPM) are considered to be related parties for financial statement reporting purposes. UCPM is tax-exempt not-for-profit corporation who provides services to the developmentally disabled and the handicapped. UCPM provides to the School managerial, administrative, accounting and other related services, general liability and property insurance coverage, educational leadership services, funds for start up costs and working capital, and leases classroom space and facilities to the School.

UCPM provides administrative and educational leadership services to the School. Fees for these services can be adjusted based on the School's financial ability. The fees paid to UCPM for administrative and educational leadership services for the years ended June 30, 2017 and 2016 was \$253,298 and \$191,498, respectively.

In addition, the agreement provides for the following services:

Purchased support services and classroom personnel: Reimbursement for services provided by UCPM staff are based on an allocation of total time spent on service to the School for identified positions based on their salary and benefits.

Transportation: UCPM provides transportation services, including coordination and supervision of all transportation services to the School. The charges for these services are based on an allocation methodology as approved in the annual budget.

The fees for these services from UCPM for the year ended June 30, 2017 and 2016 was \$40,692 and \$41,617, respectively.

The School leases its classroom facilities from UCPM. The lease for each location is through the period ending June 30, 2022, with options to renew for two five-year periods.

For the years ended June 30, 2017 and 2016, the rent expense for the School by location was as follows:

	<u>2017</u>	<u>2016</u>
Civic Center	\$ 66,864	\$ 60,888
North Shore	71,309	60,888
	<u>\$ 138,173</u>	<u>\$ 121,776</u>

**EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

Note 5 RELATED PARTY TRANSACTIONS (Continued)

The minimum future lease payments for the School by location for the year ended June 30, are as follows:

<u>Years</u>	<u>Civic Center</u>	<u>North Shore</u>	<u>Total</u>
2018	\$ 65,453	\$ 65,453	\$ 130,906
2019	65,453	65,453	130,906
2020	65,453	65,453	130,906
2021	65,453	65,453	130,906
2022	65,453	65,453	130,906

UCPM's central office is located at 2700 West 81st Street, Hialeah, Florida and its main program facility is located at 1411 N.W. 14th Street, Miami, Florida.

UCPM's Board of Directors is as follows:

Norman Bonchick	Chairperson
Richard Rangel	Vice Chairperson
Craig Steinhart	Vice Chairperson

Note 6 EMPLOYEE BENEFIT PLAN

The School has a 403(b) retirement plan. Under 403(b), the employees may contribute up to 100 percent of their annual compensation, subject to certain statutory limitations. The School matches employee contributions at 50 percent up to 6 percent of the employees' compensation. The School's contributions to the 403(b) vest ratably over two to six years of service as specified in the plan. For the years ended June 30, 2017 and 2016, the School's cost under the retirement plan was approximately \$10,900 and \$7,800 respectively. The plan is held in a trust for the exclusive benefit of the participants and their beneficiaries; consequently, the School has no fiduciary responsibility and the net assets of the plan are not included in the School's special purpose financial statements.

Note 7 ECONOMIC DEPENDENCE

For the year ended June 30, 2017, revenues for program services from the School Board represented 100% of the School's total program revenues. The School's ability to continue operating and to provide program services is predicated on the School Board's continued support and funding of its programs. If a significant reduction were to occur, it would have an adverse effect on the School's ability to continue operating the programs and services being provided.

Note 8 SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 29, 2017, which is the date the financial statements were available to be issued. No events were identified during this review of subsequent events that required adjustment to or disclosure within the financial statements.



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

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special purpose financial statements of Early Beginnings Academy (the School), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 29, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the special purpose 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 special purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.
Miami, Florida

Compliance and Other Matters

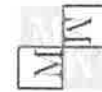
As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Menendez & Company

Pembroke Pines, FL
August 29, 2017



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

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.,
Miami, Florida

Report on the Financial Statements

We have audited the special purpose financial statements of the Early Beginnings Academy (the School) as of and for the fiscal year ended June 30, 2017, and have issued our report thereon dated August 29, 2017.

Auditor's Responsibility

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

Other Reports and Schedules

We have issued our Independent Auditor's 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*, which is dated August 29, 2017, and should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report and accordingly, no corrective actions were necessary.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Early Beginnings Academy.

Financial Condition

Section 10.854(1)(e)2., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Early Beginnings Academy did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.
Miami, Florida

Financial Condition (*Continued*)

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we apply financial condition assessment procedures for the Early Beginnings Academy. It is management's responsibility to monitor the Early Beginnings Academy'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.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, requires that we report the results of our determination as to whether the Early Beginnings Academy 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 Early Beginnings Academy maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Other Matters

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

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

Purpose of this Letter

Our management letter is intended solely for the information and uses of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the School Board of Miami-Dade County, Florida, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Menendez & Company

Pembroke Pines, FL
August 29, 2017