

Sports Leadership and Management  
(SLAM) Charter Middle School  
W/L# 6015  
(A charter school under  
Sports Leadership and Management, Inc.)  
Financial Statements and  
Independent Auditors' Report  
June 30, 2018

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Sports Leadership and Management (SLAM) Charter Middle School  
(A charter school under Sports Leadership and Management, Inc.)  
W/L# 6015

604 NW 12<sup>th</sup> Avenue  
Miami, FL 33135

**2017-2018**

Board of Directors

Rene Ruiz, Board Chair/ President  
Joseph Anthony Mesa, Vice Chair, Vice President  
Alina Lopez, Secretary, Director  
Roberto Blanch , Director, resigned 7/18/2017  
Chris Crousillat, Director

School Administration

Rey Breto, Principal

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Sports Leadership and Management (SLAM) Charter Middle School  
Miami, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sports Leadership and Management (SLAM) Charter Middle School (the "School"), a charter school under Sports Leadership and Management, Inc. as of, and for the year ended June 30, 2018, and the related notes to the financial statements which collectively comprises the School's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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



### ***Opinions***

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

### ***Other Matters***

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

### ***Required Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2018 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Coral Gables, Florida  
September 4, 2018

  
CERTIFIED PUBLIC ACCOUNTANTS

**Management's Discussion and Analysis**  
Sports Leadership and Management (SLAM) Charter Middle School  
(A Charter School Under Sports Leadership and Management, Inc.)  
June 30, 2018

The corporate officers of Sports Leadership and Management, Inc. have prepared this narrative overview and analysis of Sports Leadership and Management (SLAM) Charter Middle School's financial activities for the fiscal year ended June 30, 2018.

**Financial Highlights**

1. The net position of the School at June 30, 2018 was \$130,528.
2. At year-end, the School had current assets on hand of \$893,886
3. The School had an increase in its net position of \$92,696 for the year ended June 30, 2018.
4. The unassigned fund balance at year end was \$511,656.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2018 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

*Government-Wide Financial Statements*

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

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

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 9-10 of this report.

*Fund Financial Statements*

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

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

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

The basic governmental fund financial statements can be found on pages 11-14 of this report.

#### Notes to Financial Statements

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

The notes to the financial statements can be found on pages 15-25 of this report.

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

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$130,528 at the close of the fiscal year. A summary of the School's net position as of June 30, 2018 and 2017 is as follows:

	2018	2017
Cash and cash equivalents	\$ 5,414	\$ 8,393
Investments	706,084	530,000
Prepaid expenses	128,523	23,262
Due from other agencies	12,800	14,815
Deposits receivable	22,045	22,045
Due from other charter school under SLAM, Inc.,	219,020	200,000
Capital assets, net	977,953	809,417
<b>Total Assets</b>	<b>2,071,839</b>	<b>1,607,932</b>
<b>Deferred outflows of resources</b>	<b>-</b>	<b>-</b>
Accounts Payable	53,301	12,132
Salaries and wages payable	178,361	127,809
Due to landlord	-	30,159
Note payable	309,649	-
Due to Mater Inc., long-term	1,400,000	1,400,000
<b>Total Liabilities</b>	<b>1,941,311</b>	<b>1,570,100</b>
<b>Deferred inflows of resources</b>	<b>-</b>	<b>-</b>
<b>Net Position:</b>		
Net investment in capital assets	84,912	174,631
Unrestricted	45,616	(136,799)
<b>Total Net Position</b>	<b>\$ 130,528</b>	<b>\$ 37,832</b>

At the end of 2018, the School is able to report a positive balance in its net position.

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

	2018	2017
<b>REVENUES</b>		
Program Revenues		
Operating Grants and Contributions	\$ 192,526	\$ 147,127
Capital Grants and Contributions	404,032	273,091
Lunch Program	247,838	206,404
General Revenues		
Local Sources (FTE and other non specific)	3,873,600	3,291,070
Other Revenues	690,159	11,878
<b>Total Revenues</b>	<b>\$ 5,408,155</b>	<b>\$ 3,929,570</b>
<b>EXPENSES</b>		
Governmental Activities:		
Instruction	\$ 2,085,869	\$ 1,835,322
Student support services	71,552	-
Instructional staff training	4,135	6,113
Board	34,700	26,304
School administration	714,020	674,227
Fiscal services	91,800	74,363
Food services	258,658	220,286
Central services	157,667	110,144
Operation of plant	1,717,579	1,138,213
Maintenance of plant	159,806	116,497
Administrative technology services	17,244	-
Interest expense	2,429	-
<b>Total Expenses</b>	<b>5,315,459</b>	<b>4,201,469</b>
Increase/(Decrease) in Net Position	92,696	(271,899)
Net Position at Beginning of Year	37,832	309,731
Net Position at End of Year	<b>\$ 130,528</b>	<b>\$ 37,832</b>

The School's revenue and expenditures increased by \$1,478,585 and \$1,113,990, respectively as a result of an increase in student enrollment. The School had an increase in its net position of \$92,696.

### Capital Improvement Requirements

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

### Accomplishments

In 2018, SLAM Middle School completed its 5th year of operation serving 612 students in Miami's historic Little Havana neighborhood. The school grew by 86 students from the previous year due to demand from parents and the community. The majority of SLAM students come from the surrounding communities of Little Havana, Wynwood, Little Haiti, and Overtown, all predominantly minority and poverty-stricken urban neighborhoods. Approximately 98% of the student population is comprised of minority students, and approximately 94% are economically



disadvantaged. Despite these challenges, SLAM is making academic strides, outperforming the surrounding public middle schools in its region.

SLAM has expanded its curriculum to include more options for middle school students. This past year, SLAM offered a comprehensive Gifted Program and accelerated courses in Mathematics, Science and Foreign Language. As a result, 100% of middle school students passed the Geometry End of Year Assessment and 94% of students passed the Biology End of Year Assessment.

SLAM's mission is to provide an innovative and in-depth educational program that produces college-bound graduates through emphasis on sports-related majors and postsecondary preparation. SLAM offers students opportunities in career exploration through academies in Sports Medicine, Digital Television and Sports Media Production, Sports Marketing, Entertainment and Management. SLAM also provides students with unique access to career mentors and internships through educational partnerships with local and national sports franchises such as Major League Baseball (MLB), The NBA, The Miami Marlins, the Miami HEAT and others. SLAM is currently working with local partners such as Learn 01 to bring STEM initiatives in computer science (CS) and engineering STEM education through co-curricular and extra-curricular programming.

SLAM students also participate in an array of extra-curricular clubs and activities including: Junior National Honor Society (JNHS), National Science Honor Society (NSHS), Student Government Association (SGA), KEY Club, Fellowship of Christina Athletes Club, SECME Club, Art and Fashion Design Clubs, Chess Club, Health Occupations Student of America H.O.S.A. and Environmental Club.

As part of the Mater Academy network of high quality charter schools, SLAM is accredited by AdvancED under the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS-CASI) division.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

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

### **Governmental Funds**

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

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

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$662,224. The fund balance unassigned and available for spending at the School's discretion is \$511,656. These funds will be available for the School's future ongoing operations.

### Capital Assets

The School's investment in capital assets as of June 30, 2018 amounts to \$977,953 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and equipment. The School has outstanding debt of \$1,709,649 associated to capital assets and working capital.

### Governmental Fund Budget Analysis and Highlights

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

	Governmental Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Program Revenues			
State capital outlay funding	\$ 249,750	\$ 256,261	\$ 254,799
Local capital improvement revenue	149,000	149,100	\$ 149,233
Federal sources	431,019	429,182	433,319
General Revenues			
FTE nonspecific revenues	4,163,112	3,876,840	3,873,600
Charges and other revenues	678,250	703,860	697,204
Total Revenues	5,671,131	5,415,243	5,408,155
<b>CURRENT EXPENDITURES</b>			
Governmental Activities			
Instruction	1,878,452	1,882,259	1,860,871
Student support services	75,000	71,836	71,552
Instructional staff training	10,000	5,000	4,135
Board	25,000	34,964	34,700
School administration	735,376	715,116	714,020
Fiscal services	136,351	91,900	91,800
Food services	261,977	259,187	258,658
Central services	158,500	157,957	157,667
Operation of plant	1,616,036	1,588,532	1,548,831
Maintenance of plant	169,000	160,000	159,806
Administrative technology services	75,000	21,018	17,244
Total Current Expenditures	\$ 5,140,692	\$ 4,987,769	\$ 4,919,284

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

### Requests for Information

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

Sports Leadership and Management (SLAM) Charter Middle School  
(A charter school under Sports Leadership and Management Foundation, Inc.)

Statement of Net Position  
June 30, 2018

<b><u>Assets</u></b>	<b>Governmental Activities</b>
Current assets:	
Cash and cash equivalents	\$ 5,414
Investments	706,084
Due from other charter school under SLAM, Inc.	19,020
Prepaid expenses	128,523
Due from other agencies	12,800
Deposits receivable	22,045
	<u>893,886</u>
Due from other charter schools under SLAM, Inc., long-term	200,000
Capital assets	2,363,191
Less: accumulated depreciation	<u>(1,385,238)</u>
	<u>977,953</u>
Total Assets	<u>2,071,839</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>-</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Accounts Payable	53,301
Current portion of long-term debt	75,633
Salaries and wages payable	178,361
	<u>307,295</u>
Note payable	234,016
Due to Mater Inc., long-term	<u>1,400,000</u>
Total Liabilities	<u>1,941,311</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>-</u>
<b><u>Net Position</u></b>	
Net investment in capital assets	84,912
Unrestricted	<u>45,616</u>
Total Net Position	<u>\$ 130,528</u>

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

Sports Leadership and Management (SLAM) Charter Middle School  
(A charter school under Sports Leadership and Management Foundation, Inc.)

Statement of Activities  
For the year ended June 30, 2018

FUNCTIONS	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 2,085,869	\$ -	\$ 158,795	\$ -	\$ (1,927,074)
Student support services	71,552	-	-	-	(71,552)
Instructional staff training	4,135	-	-	-	(4,135)
Board	34,700	-	-	-	(34,700)
School administration	714,020	-	33,731	-	(680,289)
Fiscal services	91,800	-	-	-	(91,800)
Food services	258,658	7,045	240,793	-	(10,820)
Central services	157,667	-	-	-	(157,667)
Operation of plant	1,717,579	-	-	404,032	(1,313,547)
Maintenance of plant	159,806	-	-	-	(159,806)
Administrative technology services	17,244	-	-	-	(17,244)
Interest expense	2,429	-	-	-	(2,429)
<b>Total governmental activities</b>	<b>5,315,459</b>	<b>7,045</b>	<b>433,319</b>	<b>404,032</b>	<b>(4,471,063)</b>
General revenues:					
FTE and other nonspecific revenues					3,873,600
Interest and other revenue					690,159
Change in net position					92,696
Net position , beginning					37,832
Net position, ending					\$ 130,528

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



Sports Leadership and Management (SLAM) Charter Middle School  
(A charter school under Sports Leadership and Management Foundation, Inc.)

Balance Sheet - Governmental Funds  
June 30, 2018

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 5,414	\$ -	\$ 5,414
Investments	706,084	-	706,084
Due from other charter school under SLAM, Inc.	19,020	-	19,020
Due from other agencies	-	12,800	12,800
Due from fund	12,800	-	12,800
Prepaid expenses and other assets	150,568	-	150,568
Total Assets	893,886	12,800	906,686
<b><u>Deferred Outflows of Resources</u></b>	-	-	-
<b><u>Liabilities</u></b>			
Accounts Payable	53,301	-	53,301
Salaries and wages payable	178,361	-	178,361
Due to fund	-	12,800	12,800
Total Liabilities	231,662	12,800	244,462
<b><u>Deferred Inflows of Resources</u></b>	-	-	-
<b><u>Fund balance</u></b>			
Nonspendable, not in spendable form	150,568	-	150,568
Unassigned	511,656	-	511,656
	662,224	-	662,224
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 893,886	\$ 12,800	\$ 906,686

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

Sports Leadership and Management (SLAM) Charter Middle School  
(A charter school under Sports Leadership and Management Foundation, Inc.)

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

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Total Fund Balance - Governmental Funds \$ 662,224

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

Capital assets of \$2,363,191 net of accumulated depreciation of \$1,385,238 used in governmental activities are not financial resources and therefore are not reported in the fund. 977,953

Long term receivables from other charter schools in governmental activities are not financial resources and therefore are not reported in the governmental funds. 200,000

Long term liabilities of \$1,709,649 were not due and payable in the current period and, therefore, are not reported in the funds. (1,709,649)

Total Net Position - Governmental Activities \$ 130,528

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

Sports Leadership and Management (SLAM) Charter Middle School  
(A charter school under Sports Leadership and Management Foundation, Inc.)

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

	General Fund	Non-Major Governmental Fund	Total Governmental Funds
Revenues:			
State capital outlay funding	\$ -	\$ 254,799	\$ 254,799
Local capital improvement revenue	-	149,233	149,233
State passed through local	3,873,600	-	3,873,600
Federal sources	-	433,319	433,319
Charges and other revenue	690,159	7,045	697,204
Total Revenues	4,563,759	844,396	5,408,155
Expenditures:			
Current			
Instruction	1,702,076	158,795	1,860,871
Student support services	71,552	-	71,552
Instructional staff training	4,135	-	4,135
Board	34,700	-	34,700
School administration	680,289	33,731	714,020
Fiscal services	91,800	-	91,800
Food services	-	258,658	258,658
Central services	157,667	-	157,667
Operation of plant	1,144,799	404,032	1,548,831
Maintenance of plant	159,806	-	159,806
Administrative technology services	17,244	-	17,244
Capital Outlay:			
Other capital outlay	562,282	-	562,282
Debt Service:			
Repayment of principal on notes receivable	-	12,273	12,273
Interest	-	2,429	2,429
Total Expenditures	4,626,350	869,918	5,496,268
Excess (deficit) of revenues over expenditures	(62,591)	(25,522)	(88,113)
Other financing sources (uses)			
Transfers in (out)	(25,522)	25,522	-
Proceeds from notes payable	321,922	-	321,922
Net change in fund balance	233,809	-	233,809
Fund Balance at beginning of year	428,415	-	428,415
Fund Balance at end of year	\$ 662,224	\$ -	\$ 662,224

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

Sports Leadership and Management (SLAM) Charter Middle School  
(A charter school under Sports Leadership and Management Foundation, Inc.)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities

For the year ended June 30, 2018

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Net Change in Fund Balance - Governmental Funds	\$ 233,809
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$562,282 exceeded depreciation expense of \$393,746.	168,536
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The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayment of \$12,273 exceeded proceeds of \$321,922.	<u>(309,649)</u>
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Change in Net Position of Governmental Activities	<u>\$ 92,696</u>
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The accompanying notes are an integral part of this financial statement.



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

Reporting Entity

Sports Leadership and Management (SLAM) Charter Middle School (the "School"), is a charter school sponsored by School Board of Miami-Dade County, Florida (the "District"). The School's charter is held by Sports Leadership and Management, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of Sports Leadership and Management, Inc., which is composed of four members and also governs other charter schools. The board of directors has determined that no component units exists that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Miami-Dade County, Florida. The current charter expires on June 30, 2023 and can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Miami, Florida for students from sixth through eighth grade. These financial statements are for the year ended June 30, 2018, when on average 612 students were enrolled for the school year.

Basis of Presentation

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of 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 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 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.

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

Government-wide and Fund Financial Statements

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net positions and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, such as food service and student activity fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. Other revenue sources not included with program revenues are reported as general revenues.

*Fund Financial Statements*

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

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

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

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

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year.

Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

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

Cash, Cash Equivalents and Investments

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

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

Inter-fund Transfers

Inter-fund receivables/payables (“due from/to”) are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund. Transfers from the general fund to the non-major governmental funds relate to reimbursements for period shortages in the School’s National School Lunch Program. Also, inter-fund transfers are made to move funds from the general fund to the non-major governmental funds in order to fund scheduled debt service requirements.

Due from Other Governments or Agencies

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

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

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$500 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized.

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	5 Years
Building and improvements	5-25 Years
Textbooks	3 Years

Compensated Absences

The School grants a specific number of sick days. Full time instructional employees are eligible to one day per month to up to ten days of active work during the ten-month period (a "benefit year"). In the event that available time is not used by the end of the benefit year, employees may "rollover" all unused days for use in future benefit years. Employees may "cash out" unused sick days however, the employees may only cash out if they have used three days or less of their sick leave in that benefit year. Employees may not cash out more than ten days per school year and are required to maintain a minimum of twenty-one unused days in order to cash out. The cash out value is eighty percent of their current daily rate. There is no termination payment for accumulated unused sick days.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated absences available to be used in future benefits years.

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Long-Term Debt

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



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

Revenue Sources

Revenues for current operations are received primarily from the state through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP.

Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

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

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Net Position and Fund Balance Classification

*Government-wide financial statements*

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

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

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

*Fund financial statements*

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

- a) Nonspendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- b) Restricted – this classification includes fund balance category amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. There are no restricted fund balances at year end.
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification that is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- e) Unassigned – portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Order of Fund Balance Spending Policy

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

Income Taxes

Sports Leadership and Management, Inc. qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3) and is therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

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

Subsequent Events

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

Use of Estimates

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

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

Deposits

The School maintains its cash and cash equivalents in two financial institutions. As of June 30, 2018, the School's deposits consisted of cash balances of \$5,413.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Sports Leadership and Management, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Sports Leadership and Management, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2018, bank balances in potential excess of FDIC coverage was approximately \$5,400.

Investments

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

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

- Government money market mutual fund of \$730,000 (Level 2 inputs).

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

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

Credit Risk

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

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

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

**Note 3 –Capital Assets**

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

	Balance 07/01/17	Additions	Retirements	Balance 06/30/18
Capital assets, non-depreciable:				
Building improvements under construction	\$ -	\$ 139,265	\$ -	\$ 139,265
Capital assets, depreciable:				
Buildings and improvements	\$ 673,229	\$ 84,952	\$ -	\$ 758,181
Computer equipment and software	374,168	50,362	-	424,530
Furniture, equipment and textbooks	753,512	287,703	-	1,041,215
Total Capital Assets	1,800,909	562,282	-	2,363,191
Less Accumulated Depreciation:				
Buildings and improvements	(310,303)	(136,061)	-	(446,364)
Computer equipment and software	(189,462)	(83,109)	-	(272,571)
Furniture, equipment and textbooks	(491,727)	(174,576)	-	(666,303)
Total Accumulated Depreciation	(991,492)	(393,746)	-	(1,385,238)
Capital Assets, net	<u>\$ 809,417</u>	<u>\$ 168,536</u>	<u>\$ -</u>	<u>\$ 977,953</u>



Sports Leadership and Management (SLAM) Charter Middle School  
(A Charter School under Sports Leadership and Management, Inc.)  
Notes to Financial Statements  
June 30, 2018

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**Note 3 –Capital Assets (continued)**

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

Instruction	\$	224,998
Operation of plant		168,748
Total Depreciation Expense	\$	<u>393,746</u>

**Note 4 –Education Service Support Provider**

Academica Dade, LLC, an education service and support provider, provides administrative services to the School including, but not limited to facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting and virtual education services. The agreement calls for a fee on a per student basis.

The agreement is with Sports Leadership and Management, Inc. through June 30, 2021, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2018, the School incurred \$275,400 in fees.

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

**Note 5 –Transactions with Affiliates**

Sports Leadership and Management, Inc. and Mater Academy, Inc. share common board members. In addition, Sports Leadership and Management, Inc. and SLAM Foundation, Inc. also share common board members. SLAM Foundation, Inc. is a not-for-profit supporting organization of Sports Leadership and Management, Inc. under Section 509(a)(3) of the Internal Revenue Code.

Mater Academy, Inc. made non-interest bearing advances to the School. The following schedule provides a summary of changes in long-term payables for the year ended June 30, 2018.

	Balance 07/01/17	Repayments	Proceeds	Balance 06/30/18
Mater Academy, Inc. - Corporate account	<u>\$1,400,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,400,000</u>
Total Long Term Payables	<u>\$1,400,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,400,000</u>

**Recoverable Grant**

The School received a recoverable grant from the Mater Academy Inc. totaling \$90,000 in 2015 with repayment contingent on the school subsequently meeting certain financial conditions. To date, management has determined that the school has not met the requirements for repayment under the grant terms. As of June 30, 2018, the maximum amount the School may be required to pay in the future should the school meet the requirements for repayment is \$90,000.

**Note 5 –Transactions with Affiliates (continued)**

Recoverable Grant

The School received a recoverable grant from SLAM Foundation, Inc. totaling \$650,000 during the year with repayment contingent on the school subsequently meeting certain financial conditions. To date, management has determined that the school has not met the requirements for repayment under the grant terms. As of June 30, 2018, the maximum amount the School may be required to pay in the future should the school meet the requirements for repayment is \$650,000.

**Note 6 –Transactions with other divisions of Sports Leadership and Management, Inc.**

For 2018, the School's facility was shared with Sports Leadership and Management Academy another charter school under SLAM, Inc. Management allocates a proportionate share of leases, salaries, lunch receipts, food and supplies, and other expenses to each school individually based on student enrollment and usage of facilities and staff to these schools and other schools operated by Sports Leadership and Management, Inc. In addition, the student activities account on the school is recorded in Sport Leadership and Management Academy's books.

Sports Leadership and Management Academy received funds for the Federal lunch program for all the schools in this campus, as listed above. Revenues and expenses related to such program have been allocated to each school based on FTE equivalent for purposes of presentation in the financial statements.

The School made certain long term, non-interest bearing advances to Sports Leadership and Management Academy. The following represents the changes in long-term payables during the year:

	Balance 07/01/17	Advances	Repayments	Balance 06/30/18
Sports and Leadership Management Academy	\$ 200,000	\$ -	\$ -	\$ 200,000
Total Long Term Receivables	\$ 200,000	\$ -	\$ -	\$ 200,000

Sports Leadership and Management, Inc., charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. Fees charged to the School during the year was \$91,800.

**Note 7 – Commitments, Contingencies and Concentrations**

On June 20, 2012 (building 1) and July 1, 2017 (building 2), Sports Leadership and Management, Inc. (the subtenant) entered into two space sublease agreements with Mater Academy Inc., as sublandlord. Mater Academy, Inc. is the subtenant under the superior sublease agreements with Mater Academy Foundation, Inc. Mater Academy Foundation, Inc. is the tenant under both master lease agreements with Miami Sports Property, LLC (the "Landlord"). The Landlord is an affiliate of the School's education service support provider (See Note 4). The charter schools' facilities are located at 602-630 NW 12<sup>th</sup> Avenue, Miami, Florida (building 1) and 542 NW 12<sup>th</sup> Ave, Miami, FL (building 2).

**Note 7 – Commitments, Contingencies and Concentrations (continued)**

The subleased space occupied by the School consists of classrooms located as contiguously as practicable, on upper floors of the buildings. The agreement also includes the non-exclusive use of common areas including hallways, bathrooms, office, patio, library, music room, computer labs and other facilities.

The term of these sublease agreements continues through July 31, 2033 and June 29, 2037, respectively with an option to renew for an additional five-year term.

Effective August 1, 2017, the sublease agreement for Building 1 was amended to reflect an annual fixed payment of \$1,319,579 to be adjusted annually based on the Consumer Price Index (CPI). The sublease agreement for Building 2 was also amended effective August 1, 2017 to reflect an annual fixed rent of \$1,823,094 to be adjusted annually based on the Consumer Price Index (CPI). The amendment for Building 2 also included enrollment discounts for the first three years that adjusts annually based on enrollment. However, for the year ended 2018, the Landlord granted an enrollment discount of approximately \$1,000,000 which were passed through to the School.

The amended structure of the lease agreements were established to allow the subtenant to lease the entire premises of both buildings, as opposed to part each building as originally contemplated, and to lease those premises on a per square foot basis. It also assists with the initial years of growth in the program through enrollment period discounts for building 2. Payments for the sublease agreements are allocated between the schools based on enrollment and usage of facility. The allocation used for 2018, was approximately 51% for the School and 49% for Sports Leadership and Management Charter School. For the year ended 2018, rent expense totaled \$1,125,948 which was net of enrollment discounts.

Future minimum payments under the sublease agreements (to be shared with Sports Leadership and Management Academy) are as follows:

<u>Year</u>	
2019	\$3,095,120
2020	\$3,095,120
2021	\$3,095,120
2022	\$3,095,120
2023	\$3,095,120
2024-2028	\$15,475,600 (total for five-year period)
2029-2033	\$15,475,600 (total for five-year period)
2034-2037	\$6,682,848 (total for four-year period)

Sports Leadership and Management (SLAM) Charter Middle School  
(A Charter School under Sports Leadership and Management, Inc.)  
Notes to Financial Statements  
June 30, 2018

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**Note 7 – Commitments, Contingencies and Concentrations (continued)**

Contingencies and Concentrations

The School receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations.

Additionally, the School receives various forms of federal, state and local funding which are subject to financial and compliance audits. It is the opinion of management that the amount of funding, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 5% of the qualifying revenues of the School. For the year ended June 30, 2018, administrative fees withheld by the School District totaled \$80,810.

**Note 8 – Long-term Debt**

On April 30, 2018 the School obtained equipment financing from a financial institution for a total loan balance of \$291,095. Facility requires 48 monthly principal and interest payments of \$7,351 based on a fixed rate of 4.57%. As of June 30, 2018, the balance was \$279,997. The following schedule provides a summary of changes in long-term debt for the year:

	Balance 07/01/17	Proceeds	Repayments	Balance 06/30/18
Notes payable to financial institution	\$ -	\$ 321,922	\$ 12,273	\$ 309,649
Total Long Term Debt	\$ -	\$ 321,922	\$ 12,273	\$ 309,649

Future minimum payments for the equipment loan are as follows:

Year	
2019	\$ 75,633
2020	79,163
2021	82,858
2022	71,995
Total	\$ 309,649

**Note 9 – Risk Management**

The School is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; administrative errors and omissions; personal injury; workers compensation and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past years. In addition, there were no reductions in insurance coverage from those in the prior year.

**Note 10 – Defined Contribution Retirement Plan**

The School's personnel, which are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the "Plan"), the School provides a match of 100% of the employee's contribution up to 4% of the employee's compensation. The School contributed to the Plan \$18,706 for the year ended June 30, 2018. The School does not exercise any control or fiduciary responsibility over the Plans' assets, which are administered by Voya Financial.



## REQUIRED SUPPLEMENTARY INFORMATION

Sports Leadership and Management (SLAM) Charter Middle School  
(A charter school under Sports Leadership and Management Foundation, Inc.)

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

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 4,163,112	\$ 3,876,840	\$ 3,873,600
Charges and other revenue	672,250	696,942	690,159
Total Revenues	4,835,362	4,573,782	4,563,759
<b>EXPENDITURES</b>			
Current:			
Instruction	1,476,276	1,481,341	1,702,076
Student support services	75,000	71,836	71,552
Instructional staff training	10,000	5,000	4,135
Board	25,000	34,964	34,700
School administration	700,198	680,400	680,289
Fiscal services	136,351	91,900	91,800
Central services	158,500	157,957	157,667
Operation of plant	1,207,036	1,182,345	1,144,799
Maintenance of plant	169,000	160,000	159,806
Administrative technology services	75,000	21,018	17,244
Total Current Expenditures	4,032,361	3,886,761	4,064,068
Excess of Revenues			
Over Current Expenditures	803,001	687,021	499,691
Capital Outlay	525,000	570,000	562,282
Total Expenditures	4,557,361	4,456,761	4,626,350
Excess of Revenues Over Expenditures	278,001	117,021	(62,591)
Other financing sources (uses):			
Transfers in (out)	(272,562)	(274,249)	(25,522)
Proceeds from notes payable	-	321,922	321,922
Net change in fund balance	5,439	164,694	233,809
Fund Balance at beginning of year	428,415	428,415	428,415
Fund Balance at end of year	\$ 433,854	\$ 593,109	\$ 662,224

Notes to Budgetary Comparison Schedule

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



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT 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

Board of Directors of  
Sports Leadership and Management (SLAM) Charter Middle School  
Miami, Florida

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sports Leadership and Management (SLAM) Charter Middle School (the "School"), as of, and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 4, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### Compliance and Other Matters

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

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

### Purpose of This Report

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

  
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 4, 2018



MANAGEMENT LETTER

Board of Directors of  
Sports Leadership and Management (SLAM) Charter Middle School  
Miami, Florida

**Report on the Financial Statements**

We have audited the financial statements of Sports Leadership and Management (SLAM) Charter Middle School as of and for the fiscal year ended June 30, 2018 and have issued our report thereon dated September 4, 2018.

**Auditor's Responsibility**

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

**Other Reports and Schedules**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 4, 2018, should be considered in conjunction with this management letter.

**Prior Audit Findings**

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

**Official Title**

Section 10.854.(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Sports Leadership and Management (SLAM) Charter Middle School.

**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 Sports Leadership and Management (SLAM) Charter Middle School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that Sports Leadership and Management (SLAM) Charter Middle School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.



**Financial Condition (continued)**

Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for Sports Leadership and Management (SLAM) Charter Middle School. It is management's responsibility to monitor Sports Leadership and Management (SLAM) Charter Middle 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. We have applied such procedures as of the fiscal year end and no deteriorating financial condition has been noted.

**Transparency**

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine whether maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Sports Leadership and Management (SLAM) Charter Middle School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

**Other Matters**

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

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

**Purpose of this Letter**

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

*ACB Grown UP*  
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 4, 2018