

**OCEAN STUDIES CHARTER SCHOOL**  
TAVERNIER, FLORIDA  
(A COMPONENT UNIT OF THE SCHOOL BOARD  
OF MONROE COUNTY, FLORIDA)

**BASIC FINANCIAL STATEMENTS, INDEPENDENT  
AUDITOR'S REPORT AND SUPPLEMENTAL  
INFORMATION**

**JUNE 30, 2019**

**OCEAN STUDIES CHARTER SCHOOL**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2019**

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# **OCEAN STUDIES CHARTER SCHOOL**

92295 Overseas Hwy  
Tavernier, FL 33070  
(305)852-7700

**2018-2019**

## **BOARD OF DIRECTORS**

Mr. David Thompson, President  
Ms. Nicky Rudolph, Vice President  
Ms. Kate Banick, Treasurer  
Ms. Beth Kaminstein, Director  
Ms. Laurie Brooks, Secretary  
Mr. Ariel Poholek, Director

## **SCHOOL ADMINISTRATION**

Mrs. Trisha Woods, Principal



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Ocean Studies Charter School  
Tavernier, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, and each major fund of Ocean Studies Charter School (the "School"), a charter school under Ocean Studies Charter School, Inc. which is a component unit of the District School Board of Monroe County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 and each major fund of the School, as of June 30, 2019, 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 Ocean Studies Charter School as of June 30, 2019, and the respective changes in financial position for the year then ended, and it is not intended to be a complete presentation of Ocean Studies Charter School, Inc. These financial statements do not purport to and do not present fairly the financial position of Ocean Studies Charter School, Inc. as of June 30, 2019 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 on pages 5 through 10 and budgetary comparison information on pages 24 through 26 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2019, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 20, 2019

**Management's Discussion and Analysis**  
Ocean Studies Charter School  
June 30, 2019

The corporate officers of Ocean Studies Charter School, Inc. (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2019.

**FINANCIAL HIGHLIGHTS**

1. The assets of the School exceeded its liabilities at June 30, 2019 by \$420,393 (net position).
2. The net position of the School increased by \$1,549 for the year ended June 30, 2019.
3. The School's total fund balance increased by \$348,482 for the year and had an ending fund balance of \$352,088 at June 30, 2019.

*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, 2019 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 and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event resulting in the change 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 11 – 12 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.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for its general and special revenue fund. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 13 - 16 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 17 - 23 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2019 and 2018 follows:

<b>Assets</b>	<u>2019</u>	<u>2018</u>
Cash	\$ 399,868	\$ 406,924
Due from governmental agencies	-	1,688
Prepaid expenses and other assets	34,748	29,107
Capital assets, net	68,305	86,995
Total Assets	<u>\$ 502,921</u>	<u>\$ 524,714</u>
<b>Liabilities and Net Position</b>		
Accounts and wages payable and accrued liabilities	\$ 82,528	\$ 89,237
Loan/Capital lease payable	-	16,633
Total Liabilities	<u>82,528</u>	<u>105,870</u>
Net investment in capital assets	68,305	70,362
Unrestricted	352,088	348,482
Total Net Position	<u>420,393</u>	<u>418,844</u>
Total Liabilities and Net Position	<u>\$ 502,921</u>	<u>\$ 524,714</u>

At June 30, 2019, the School's total assets were \$502,921 and total liabilities were \$82,528. At June 30, 2018, the School reported total net position of \$420,393.



A summary and analysis of the School’s revenues and expenses for the years ended June 30, 2019 and 2018 follows:

<b>REVENUES</b>	2019	2018
Program Revenues		
State capital outlay funding	\$ 40,963	\$ 138,071
General Revenues		
FEFP nonspecific revenue	1,067,748	1,155,338
Fundraising & other revenue	154,890	129,069
Total Revenues	1,263,601	1,422,478
<b>EXPENSES</b>		
Instruction	594,112	616,004
Instructional support services	201	21
Instruction and curriculum development services	29,973	37,032
Instructional staff training services	3,973	5,651
Instructional-related technology	8,976	-
General administrative	20	-
School administration	280,191	211,904
Facilities acquisition & construction	-	300
Fiscal services	148	6,441
Food services	3,445	
Central services	8,240	-
Pupil transportation services	13,675	12,525
Operation of plant	297,623	241,169
Maintenance of plant	21,098	32,527
Interest expense	377	1,072
Total Expenses	1,262,052	1,164,646
Change in Net Position	1,549	257,832
<b>Net Position at Beginning of Year</b>	418,844	161,012
<b>Net Position at End of Year</b>	\$ 420,393	\$ 418,844

The School’s total revenues for the year ended June 30, 2019 were \$1,263,601 while its total expenses were \$1,262,052 for a net increase of \$1,549. The School’s total revenues decreased from prior year primarily due to the additional funding from the state through the Local Capital Improvement Revenue (LCIR) of \$118,573 in the prior year that was not reoccurring and a reduced enrollment for the year.

### ACCOMPLISHMENTS

The School earned an “A” rating this year! We are all proud to have increased from a “C” rating due to the hard work and dedication from our parents, teachers, and students. Our unique, place-based education and Montessori foundations provided the opportunity for students to grow and achieve their goals.

Last year, Ms. Martha headed a Green School designation initiative for the School. We earned the Green Apple Status and are moving towards Bronze! It began with the election process in the 3<sup>rd</sup>-5<sup>th</sup> upper grades by electing a school president, vice president, treasurer and secretary. This group of elected officials become the “Green Student Council.”

The Green Student council along with the 4<sup>th</sup> – 5<sup>th</sup> grade Sharks class weighed garbage produced for one week in each of the classrooms to get a baseline of amount of pounds of trash we were producing – Sea Stars, Dolphins, Rays and Sharks. The Green Team then started a campaign to educate students and parents and planned a “Zero Waste Lunch Week” contest. Prior to the week, they spoke to each class, made posters and answered questions regarding zero waste lunches. They developed a compost plan and taught the kids what that was. They spoke about reusable containers and napkins and made posters. They also discussed bringing your own silverware in as opposed to plastic one time use forks and spoons. The week was a great success! The Rays class had the absolute minimum trash for one week totaling less than 10 pounds of trash – what one day used to be! They won a homemade Popsicle party.

Green Student Council created, planned and implemented a “Bike to School” initiative to promote a greener and cleaner way to get to school. They made posters, created an incentive program (students earned energy “bucks” that you could trade in for prizes if you rode your bike) and spoke to all the classrooms to promote their campaign! At the end of the three month project, they had raised our biker program from 0 bikers to 10!

The School also earned the designation of a NOAA Ocean Guardian School. Students embarked on a year-long scientific study as to whether fragmented seagrass could be regrown or transplanted. They did extensive research in the lab online to learn about seagrass. They monitored and collected data from healthy seagrass beds at the FL Keys Sailing Club on the bayside in Key Largo. There, they were able to observe the growing rates, conditions and circumstances that have to happen for seagrass to grow. The students conducted their experiment in the science lab by taking fragmented seagrass and planting them in the lab tanks. Each week, they checked conditions in the tank including salinity, nutrient counts and temperature. They also measured and graphed the growth rate. During this time, students were assigned a group to collaborate with and determine findings. After having the tanks running for a short 5 months, the students were able to submit their scientific findings to the state park service (and their teacher.) Student findings were similar. The seagrass was not able to grow in the short time of 5 months, but they all did conclude that the seagrass fragments were able to stay alive after being replanted. As in scientific research, the student scientists offered suggestions. Among the many that stated to lengthen the process to see if the grass would regrow, one group stated that “if people want to restore their seagrass, they can continue to keep the fragments alive in a tank until the replant site is restored, then transplant.”

Moving forward, NOAA would like the School to continue their experiments on the fragmented seagrass. The same class will continue and let the new incoming 3<sup>rd</sup> graders join. Experiments this year will focus on the variables to regrow seagrass in tanks. Variables will be determined by students. Examples include sunlight exposure, tank vs. wild, algae overgrowth and salinity.

Our 3<sup>rd</sup> grade students teamed up with Pete Fresa, the Islamorada Parks Manager to conduct a mangrove transplant project. Students collaborated with local middle school students to replant mangrove propagules that were uprooted during Hurricane Irma and displaced in a neighborhood. They planted these at the Green Turtle Hammock in Islamorada. The experiment conducted was to see which transplant method worked best – placing propagules in a PVC protected pipe or to plant them directly into the ground. During the experiment, they also monitored the habitat including animal counts, water quality, salinity, temperature, Secchi Disks (turbidity aka. cloudiness), and dissolved oxygen.

### **SCHOOL LOCATION**

The School operates in the Tavernier, Florida from its facility located at 92295 Overseas Hwy, Tavernier, FL 33070.

### **CAPITAL IMPROVEMENT REQUIREMENT**

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

### **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, *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.

At the end of the fiscal year, the School's governmental funds reported combined ending fund balance of \$352,088 and a positive net change in fund balance of \$3,606.

### **CAPITAL ASSETS**

The School's investment in capital assets, as of June 30, 2019, amounts to \$68,305 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, furniture, fixtures and equipment and audio-visual materials and computer software.

## GOVERNMENTAL FUND BUDGET ANALYSIS

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.

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 1,153,179	\$ 1,146,842	\$ 1,067,748
State capital outlay funding	-	25,200	40,963
Fundraising and other income	39,075	49,470	154,890
<b>TOTAL REVENUES</b>	<b>1,192,254</b>	<b>1,221,512</b>	<b>1,263,601</b>
<b>EXPENDITURES</b>			
Instruction	598,491	613,376	594,112
Instructional support services	-	-	201
Instruction & curriculum development	17,985	19,255	29,973
Instructional staff training services	5,290	5,690	3,973
Instructional-related technology	-	7,914	8,976
General administration	-	-	20
School administration	254,807	272,988	280,191
Facilities acquisition & construction	3,000	3,000	-
Fiscal services	-	-	148
Food services	3,180	3,180	3,445
Central services	8,580	8,580	8,240
Pupil transportation services	12,869	3,269	13,675
Operation of plant	292,320	250,088	278,933
Maintenance of plant	3,000	3,000	21,098
Debt service	16,073	16,073	17,010
<b>TOTAL EXPENDITURES</b>	<b>1,215,595</b>	<b>1,206,413</b>	<b>1,259,995</b>
Change in fund balance before other financing sources	(23,341)	15,099	3,606
Other financing sources	-	-	-
Net change in fund balance	<u>\$ (23,341)</u>	<u>\$ 15,099</u>	<u>\$ 3,606</u>

## REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Mrs. Trisha Woods at 92295 Overseas Hwy, Tavernier, FL 33070.

**OCEAN STUDIES CHARTER SCHOOL  
STATEMENT OF NET POSITION  
JUNE 30, 2019**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 399,868
Prepaid expenses	24,748
<b>TOTAL CURRENT ASSETS</b>	<u>424,616</u>
<b>CAPITAL ASSETS</b>	
Improvements other than buildings	94,887
Less accumulated depreciation	(38,741)
Furniture and equipment	7,305
Less accumulated depreciation	(7,305)
Vehicles	45,850
Less accumulated depreciation	(33,691)
Audio visual materials & computer software	2,072
Less accumulated depreciation	(2,072)
<b>Total capital assets, net</b>	<u>68,305</u>
Deposit receivable and other assets	<u>10,000</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 502,921</u></u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 2,375
Accrued wages payable	80,153
<b>TOTAL LIABILITIES</b>	<u>82,528</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	68,305
Unrestricted	352,088
<b>TOTAL NET POSITION</b>	<u>420,393</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 502,921</u></u>

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

**OCEAN STUDIES CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Program Revenues

<b>Functions</b>	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
<b>Governmental Activities:</b>					
Instruction	\$ 594,112	\$ -	\$ -	\$ -	\$ (594,112)
Instructional support services	201	-	-	-	(201)
Instructional and Curriculum Development	29,973	-	-	-	(29,973)
Instructional staff training services	3,973	-	-	-	(3,973)
Instructional-related technology	8,976	-	-	-	(8,976)
General administrative	20	-	-	-	(20)
School administration	280,191	-	-	-	(280,191)
Fiscal services	148	-	-	-	(148)
Food services	3,445	-	-	-	(3,445)
Pupil transportation services	13,675	-	-	-	(13,675)
Operation of plant	297,623	-	-	40,963	(256,660)
Maintenance of plant	21,098	-	-	-	(21,098)
Central services	8,240	-	-	-	(8,240)
Interest expense	377	-	-	-	(377)
<b>Total Governmental Activities</b>	<b>1,262,052</b>	<b>-</b>	<b>-</b>	<b>40,963</b>	<b>(1,221,089)</b>

GENERAL REVENUES:

Government grants not restricted to specific programs	1,067,748
Fundraising and other revenue	154,890
Total general revenues	1,222,638
Change in Net Position	1,549
NET POSITION - BEGINNING	418,844
NET POSITION - ENDING	\$ 420,393

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

**OCEAN STUDIES CHARTER SCHOOL  
 BALANCE SHEET- GOVERNMENTAL FUNDS  
 JUNE 30, 2019**

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	<u>Governmental Fund</u>
ASSETS	
Cash and cash equivalents	\$ 399,868
Prepaid expenses	24,748
Deposit receivable and other assets	10,000
TOTAL ASSETS	<u>\$ 434,616</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 2,375
Accrued wages payable	80,153
TOTAL LIABILITIES	<u>82,528</u>
FUND BALANCE	
Nonspendable	
Prepaid expenses	34,748
Unassigned	317,340
TOTAL FUND BALANCE	<u>352,088</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 434,616</u>

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

OCEAN STUDIES CHARTER SCHOOL  
 RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 JUNE 30, 2019

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Total Fund Balance - Governmental Funds \$ 352,088

Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the fund.

Capital assets	150,114
Accumulated depreciation	<u>(81,809)</u>

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.

Total Net Position - Governmental Activities \$ 420,393

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



**OCEAN STUDIES CHARTER SCHOOL  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018**

	Governmental Funds	Capital Projects Fund	Total Governmental
<b>REVENUES</b>			
State passed through local	\$ 1,067,748	\$ -	\$ 1,067,748
State capital outlay funding	-	40,963	40,963
Other income	154,890	-	154,890
<b>TOTAL REVENUES</b>	<b>1,222,638</b>	<b>40,963</b>	<b>1,263,601</b>
<b>EXPENDITURES</b>			
<b>Current:</b>			
Instruction	594,112	-	594,112
Instructional support services	201	-	201
Instructional and Curriculum Development	29,973	-	29,973
Instructional staff training services	3,973	-	3,973
Instructional-related technology	8,976	-	8,976
General administrative	20	-	20
School administration	280,191	-	280,191
Food services	3,445	-	3,445
Fiscal services	148	-	148
Pupil transportation services	13,675	-	13,675
Operation of plant	237,970	40,963	278,933
Central services	8,240	-	8,240
Maintenance of plant	21,098	-	21,098
<b>Capital Outlay:</b>			
Other capital outlay	-	-	-
<b>Debt Service:</b>			
Redemption of principal	16,633	-	16,633
Interest	377	-	377
<b>TOTAL EXPENDITURES</b>	<b>1,219,032</b>	<b>40,963</b>	<b>1,259,995</b>
Net change in fund balance	3,606	-	3,606
Fund balance at beginning of year	348,482	-	348,482
Fund balance at end of year	<u>\$ 352,088</u>	<u>\$ -</u>	<u>\$ 352,088</u>

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

**OCEAN STUDIES CHARTER SCHOOL  
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, 2019**

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Change in Fund Balance - Governmental Funds \$ 3,606

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.

Capital outlays	-
Depreciation expense	(18,690)

The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Repayments of principal	16,633
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Change in Net Position of Governmental Activities	\$ 1,549
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The accompanying notes are an integral part of this financial statement.

**OCEAN STUDIES CHARTER SCHOOL, INC.  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Reporting Entity**

Ocean Studies Charter School (the “School”) is a charter school sponsored by the School Board of Monroe County, Florida (the “District”) and is a component unit of the District. The School’s charter is held by Ocean Studies Charter School, Inc., a Not-For Profit Corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act and Section 1002.33(7) 12, Florida Statutes, to offer a quality public education based on the best practices in accelerated learning and reflecting the diversity of the children of Monroe County. The School will offer a rigorous academic program, producing students who meet or exceed the Sunshine State Standards in English Language Arts, Math, Science, and Social Studies. While nurturing curiosity, creativity and imagination, we will encourage children to become independent, responsible and self-motivated learners. Through a uniquely prepared environment and the use of special didactic materials, the students progress through individual educational programs centered on the fascinating marine environment surrounding their community. The governing body of the School is the not for profit corporation’s Board of Directors, which is composed of six members. The School’s charter started April 26, 2011 and operations began July, 2011.

The general operating authority of the School is contained in Section 1002.33(1), Florida Statutes. The School operates under a charter of the sponsoring school district and is a component unit of the Monroe County District Board (the “District”). The current charter is effective until July 15, 2029.

Criteria for determining if other entities are potential component units of the School which should be reported with the School’s basic financial statements are identified and described in the Governmental Accounting Standards Board’s (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provide for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities.

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 which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

**OCEAN STUDIES CHARTER SCHOOL, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*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, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

General Fund – is the School’s primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Capital Projects Fund – used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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 Guidelines*.

The government-wide statements report using the economic resources measurement focus and the 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. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*”. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 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. 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.

**Budgetary Basis Accounting**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

Cash and Cash Equivalents

The School’s cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

**OCEAN STUDIES CHARTER SCHOOL, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts receivable

Accounts receivable consists of after school care fees pending to be collected. Any bad debts are expensed in the subsequent period when they are determined to be uncollectible.

Due from Governmental Agencies

Due from other agency consists of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources and from advances made to other governmental units.

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$1,000 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs 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, fixtures and equipment	3-10 Years
Playground Equipment	3-10 Years
Motor Vehicles	5 Years
Improvements other than building	5 Years
Building improvements	Life of the lease

Compensated Absences

The School grants a specific number of days for sick/personal leave. Full-time employees are eligible for one day per month to up to ten days of active work during the ten-month period (a “benefit year”). In the event that available time is not used by the end of the benefit year, employees may “rollover” all unused days for use in future benefit years. There is an opportunity to “cash out” unused sick days; however, the employees may only cash out if they have used three days or less of their sick leave in that benefit year. Employees may not cash out more than ten days per school year and are required to always maintain a minimum of twenty-one unused days. The cash 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 days available to be used in future benefit 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.

**OCEAN STUDIES CHARTER SCHOOL, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Fund Net Position

Government-wide fund net position are divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2019, was \$15,337.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2019 was \$0.
- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – 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). At June 30, 2019, the School had \$205,585 in nonspendable fund balance.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2019, there is no restricted fund balance.
- 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. At June 30, 2019, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2019, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, and committed 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 restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2019, there are no minimum fund balance requirements for any of the School’s funds.

**OCEAN STUDIES CHARTER SCHOOL, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Monroe County (the "School Board") 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 School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

The School may also receive 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 expensed. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Income Taxes

The School qualifies as a tax exempt organization under the 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.

Use of Estimates

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

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 20, 2019, which is the date the financial statements were available to be issued.

**OCEAN STUDIES CHARTER SCHOOL, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**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, 2019:

	Balance at 7/1/2018	Additions	Deletions	Balance at 6/30/2019
Capital Assets				
Improvements other than building	\$ 94,887	\$ -	\$ -	\$ 94,887
Furniture & equipment	7,305	-	-	7,305
Vehicles	45,850	-	-	45,850
Audio visual materials & computer software	2,072	-	-	2,072
Total Capital Assets	<u>150,114</u>	<u>-</u>	<u>-</u>	<u>150,114</u>
Less Accumulated Depreciation				
Improvements other than building	(29,222)	(9,519)	-	(38,741)
Furniture & equipment	(7,305)	-	-	(7,305)
Vehicles	(24,520)	(9,171)	-	(33,691)
Audio visual materials & computer software	(2,072)	-	-	(2,072)
Total Accumulated Depreciation	<u>(63,119)</u>	<u>(18,690)</u>	<u>-</u>	<u>(81,809)</u>
Capital Assets, net	<u>\$ 86,995</u>	<u>\$ (18,690)</u>	<u>\$ -</u>	<u>\$ 68,305</u>

Depreciation expense for the year ended June 30, 2019, was \$18,690 and is included in operation of plant in the statement of activities.

**NOTE 4– LOAN PAYABLE**

The School entered into a loan arrangement with a financial institution on June 7, 2016 to finance renovations to the School's facility. The loan allows for borrowings of up to \$51,000 and requires monthly payments of interest only for 6 months, followed by monthly payments of principal and interest based on an amortization schedule of three years. The interest rate is fixed at 4.38%. The loan is secured by the School's assets. The following schedule provides a summary of changes for the year ended June 30, 2019:

	Balance at 7/1/2018	Additions	Repayments	Balance at 6/30/2019
Loan Payable	\$ 16,633	\$ -	\$ 16,633	\$ -

The loan was paid off as of June 30, 2019.



**OCEAN STUDIES CHARTER SCHOOL, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

The School entered into a lease agreement in May 2011 to lease facilities located at 92295 Old State Road in Tavernier, Florida. The term of this agreement was extended for an additional four-year term ending on June 30, 2020, with an option to renew the lease term for an additional 5 years. For the year ended June 30, 2019, the amount paid by the School for the use of the facilities and services was approximately \$204,000.

Estimated future minimum lease payments are as follows:

<u>Year Ended June 30</u>	
2020	\$ 204,000

**NOTE 6 – DEPOSITS POLICY AND CREDIT RISK**

It is the School's policy to maintain its cash and cash equivalents in one financial institution. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Ocean Studies Charter School, Inc. All bank accounts are opened under the account ownership of Ocean Studies Charter School, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2019, bank balances in potential excess of FDIC coverage was \$0.

**NOTE 7 – GRANTS**

In the normal course of operations, the School receives grant funds from various federal, state and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements.

**NOTE 8 – RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

REQUIRED SUPPLEMENTAL INFORMATION

OCEAN STUDIES CHARTER SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 1,153,179	\$ 1,146,842	\$ 1,067,748
Other income	39,075	49,470	154,890
<b>TOTAL REVENUES</b>	<b>1,192,254</b>	<b>1,196,312</b>	<b>1,222,638</b>
<b>EXPENDITURES</b>			
Instructional	598,491	613,376	594,112
Instructional support services	-	-	201
Instruction & curriculum development	17,985	19,255	29,973
Instructional staff training services	5,290	5,690	3,973
Instructional-related technology	-	7,914	8,976
General administration	-	-	20
School administration	254,807	272,988	280,191
Facilities acquisition & construction & other capital outlay	3,000	3,000	-
Fiscal services	-	-	148
Food service	3,180	3,180	3,445
Pupil transportation services	12,869	3,269	13,675
Central services	8,580	8,580	8,240
Operation of plant	292,320	224,888	237,970
Maintenance of plant	3,000	3,000	21,098
Debt service	16,073	16,073	17,010
<b>TOTAL EXPENDITURES</b>	<b>1,215,595</b>	<b>1,181,213</b>	<b>1,219,032</b>
Change in fund balance before other financing sources	(23,341)	15,099	3,606
Other financing sources	-	-	-
<b>Net change in fund balance</b>	<b>\$ (23,341)</b>	<b>\$ 15,099</b>	<b>\$ 3,606</b>

See accompanying note to the required supplemental information.

OCEAN STUDIES CHARTER SCHOOL, INC.  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
 CAPITAL PROJECTS FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Capital Projects Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State capital outlay funding	\$ -	\$ 25,200	\$ 40,963
TOTAL REVENUES	<u>-</u>	<u>25,200</u>	<u>40,963</u>
EXPENDITURES			
Operation of plant	-	25,200	40,963
TOTAL EXPENDITURES	<u>-</u>	<u>25,200</u>	<u>40,963</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to the required supplemental information.

**OCEAN STUDIES CHARTER SCHOOL, INC.**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2019, has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and capital project funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).



Verdeja • De Armas • Trujillo

Certified Public Accountants and Advisors

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Michelle del Sol, C.P.A.  
Tommy Trujillo, C.P.A.  
Javier Verdeja, C.P.A.

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

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Board of Directors of  
Ocean Studies Charter School  
Tavernier, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Ocean Studies Charter School (the "School"), as of and for the year ended June 30, 2019, 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 20, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

## **Compliance and Other Matters**

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

## **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 20, 2019



## MANAGEMENT LETTER

Board of Directors of  
Ocean Studies Charter School  
Tavernier, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Ocean Studies Charter School (the “School”), a non-major component unit of the District School Board of Monroe County, Florida, as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated September 20, 2019.

### **Auditor’s Responsibility**

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

### **Other Reports Requirements**

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. Disclosures in that report, which is dated September 20, 2019, 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.

### **Official Title**

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education of the school is Ocean Studies Charter School and #440381.

### **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.



Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has led us to believe that the School's overall financial condition as of June 30, 2018 is not deteriorating.

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

### **Transparency**

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

### **Additional Matters**

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

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

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 20, 2019