



Ben Gamla Charter School South Broward  
W/L #: 5392

(A Charter School and Component Unit  
of the School Board of Broward County, Florida)

Financial Statements and  
Independent Auditors' Report  
June 30, 2020

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Ben Gamla Charter School South Broward  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

W/L #: 5392

6501 West Sunrise Blvd  
Plantation, FL 33313

2019-2020

BOARD OF DIRECTORS

Debra Klein, Director & Chair  
Daniel Fernandez, Director & Secretary  
Henry Ellenbogen, Director (resigned 09/6/2019)  
Marcus Jadote, Director  
Michelle Gerson, Director

SCHOOL ADMINISTRATION

Emily Rosenstein, Principal



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Ben Gamla Charter School South Broward  
Plantation, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ben Gamla Charter School South Broward (the "School"), a charter school under The National Ben Gamla Charter School Foundation, Inc., which is a component unit of the District School Board of Broward County, as of, and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the School's basic financial statements as listed in the table of contents.

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

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

### **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.

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## **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 Ben Gamla Charter School South Broward at June 30, 2020, 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 Ben Gamla Charter School South Broward as of June 30, 2020, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of The National Ben Gamla Charter School Foundation, Inc. These financial statements do not purport to and do not present fairly the financial position of The National Ben Gamla Charter School Foundation, Inc. as of June 30, 2020 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 27 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 29, 2020, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 29, 2020

CERTIFIED PUBLIC ACCOUNTANTS

**Management's Discussion and Analysis**  
Ben Gamla Charter School South Broward  
(A Charter School under The National Ben Gamla Charter School Foundation, Inc.)  
June 30, 2020

The corporate officers of The National Ben Gamla Charter School Foundation, Inc. have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2020.

**Financial Highlights**

1. The net position of the School as of June 30, 2020 was \$1,296,265.
2. At year-end, the School had current assets on hand of \$473,689.
3. The School had a decrease in its net position of \$16,026 for the year ended June 30, 2020.
4. The unassigned fund balance at year end was \$265,075.

**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, 2020 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 between the four 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 major governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 11 - 15 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 16 - 26 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, net position was \$1,296,265 at the close of the fiscal year. A summary of the School's net position as of June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Cash	\$ 66,900	\$ 26,521
Investment	370,000	303,000
Prepaid expenses and other assets	19,721	29,508
Deposits receivable	61,967	61,967
Due from other agencies	17,068	-
Due from other divisions of The National Ben Gamla Charter School	740,317	740,317
Capital assets, net	<u>209,185</u>	<u>248,240</u>
<b>Total Assets</b>	<b><u>1,485,158</u></b>	<b><u>1,409,553</u></b>
<b>Deferred outflows of resources</b>	-	-
Accounts payable and accrued liabilities	74,971	4,625
Salaries and wages payable	<u>113,922</u>	<u>92,637</u>
<b>Total Liabilities</b>	<b><u>188,893</u></b>	<b><u>97,262</u></b>
<b>Deferred inflows of resources</b>	-	-
<b>Net Position:</b>		
Net investment in capital assets and long term receivables	949,502	988,557
Unrestricted	<u>346,763</u>	<u>323,734</u>
<b>Total Net Position</b>	<b><u>\$ 1,296,265</u></b>	<b><u>\$ 1,312,291</u></b>

At the end of both fiscal years, the School is able to report positive balances in total net position.

A summary and analysis of the School’s revenues and expenses for the years ended June 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
<b>REVENUES</b>		
Program Revenues		
Operating grants and contributions	\$ 228,280	\$ 289,596
Capital outlay funding	250,736	245,970
Charges for services and other revenue	8,856	8,848
General Revenues		
Local sources (FTE and other non specific)	2,550,603	2,423,748
Other revenue	75,483	16,149
<b>Total Revenues</b>	<u>\$ 3,113,958</u>	<u>\$ 2,984,311</u>
<b>EXPENSES</b>		
Component Unit Activities:		
Instruction	\$ 1,699,863	\$ 1,419,316
Student support services	15,626	36,546
Instructional staff training	667	3,455
Board	23,833	24,376
General administration	92,771	-
School administration	390,657	461,446
Facilities acquisition	-	77
Fiscal services	51,450	50,250
Food services	127,982	166,748
Central services	80,159	86,291
Operation of plant	580,013	485,259
Maintenance of plant	66,963	74,450
Administrative technology services	-	21,050
Community services	-	31,733
<b>Total Expenses</b>	<u>3,129,984</u>	<u>2,860,997</u>
Change in Net Position	(16,026)	123,314
Net Position at Beginning of Year	<u>1,312,291</u>	<u>1,188,977</u>
Net Position at End of Year	<u>\$ 1,296,265</u>	<u>\$ 1,312,291</u>

The School’s revenue and expenses increased by \$129,647 and \$268,987, respectively, in the current year. The School had a decrease in its net position of \$16,026.

**Achievements**

In 2020, Ben Gamla South Broward completed its 11th year of operations, increasing enrollment to 343 students.

Ben Gamla students participated in various community service projects and special events, including:

- Parent Education Programs, such as Internet Safety, Healthy Living for Kids, Suicide Prevention, and Stress Reduction
- “National School Choice Week,” featuring an Israeli Night
- Fundraisers for victims of national disasters, Juvenile Diabetes, Operation Smile, and the American Heart Association.



- Special Days: Career Day, Literacy Day, Yom Haatzmaut Celebration, Tree planting, Red Ribbon Week
- Food and clothing drives
- Class field trips
- Math Superstars
- JA BizTown
- Family Fitness Day
- Foreign Exchange Program with Israeli students
- Anti-Bullying Program
- Annual Auction
- Scholastic Book fair

Located on the Soref JCC campus, Ben Gamla South Broward features a state-of-the-art facility with access to multiple athletic fields, gyms, and a pool. Each classroom is equipped with a Promethean (electronic whiteboard), LCD projector, and computer. The school's media center features a large collection of books and Accelerated Reader software. Students have daily access to a state-of-the-art computer lab and portable iPads. In addition to using state approved textbooks for core subject areas, Hebrew studies at the school feature grammar and literature textbooks from Israel.

Ben Gamla Charter Schools opened in 2007 as the first Hebrew language charter school in the nation. The school's mission is to deliver a first-class academic program that offers a unique bilingual, bi-literate, and bi-cultural curriculum, which prepares students to have an edge in global competition through the study of Hebrew as a second language. Graduates will leave the charter school with a sense of purpose, a belief in their own efficacy, a commitment to the common good, and a zest for learning.

## **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 a fund balance of \$284,796. The fund balance unassigned and available for spending at the School's discretion is \$265,075.

### **Capital Improvement Requirements**

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

## Facility and School Location

The School entered into a lease agreement for use of facility located at 6501 West Sunrise Blvd Plantation, FL 33313.

## Capital Assets

The School's investment in capital assets as of June 30, 2020 amounts to \$209,185 (net of accumulated depreciation). This investment in capital assets includes building and improvements, furniture, fixtures and computer equipment. As of June 30, 2020, the School had no long term debt associated to its capital assets.

## Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for total governmental funds (both general fund and special revenue funds) to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
State capital outlay funding	\$ 200,400	\$ 255,800	\$ 250,736
Federal sources	241,525	223,001	228,280
Charges and other revenues	7,500	7,500	8,856
General Revenues			
FTE nonspecific revenues	2,464,586	2,547,085	2,550,603
Charges and other revenues	53,400	73,487	75,483
Total Revenues	<u>\$ 2,967,411</u>	<u>\$ 3,106,873</u>	<u>\$ 3,113,958</u>
CURRENT EXPENDITURES			
Component Unit Activities			
Instruction	\$ 1,514,533	\$ 1,637,135	\$ 1,636,689
Student support services	10,750	6,750	15,626
Instructional staff training	750	7,500	667
Board	25,525	25,863	23,833
General administration	92,238	92,824	92,771
School administration	422,125	397,753	390,621
Fiscal services	20,100	51,450	51,450
Food services	148,560	129,450	127,982
Central services	80,900	80,160	80,159
Operation of plant	447,825	545,463	539,563
Maintenance of plant	45,000	62,310	62,962
Total Current Expenditures	<u>\$ 2,808,306</u>	<u>\$ 3,036,658</u>	<u>\$ 3,022,323</u>

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 Broward, LLC, 6340 Sunset Drive, Miami, Florida, 33143.

Ben Gamla Charter School South Broward  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Net Position  
June 30, 2020

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash	\$ 66,900
Investment	370,000
Prepaid expenses and other assets	19,721
Due from other agencies	17,068
Total current assets	<u>473,689</u>
Capital assets, depreciable	641,640
Less: accumulated depreciation	<u>(432,455)</u>
	<u>209,185</u>
Deposits and other receivables	61,967
Due from other divisions of The National Ben Gamla Charter School Foundation, Inc.	740,317
	<u>802,284</u>
Total Assets	<u>1,485,158</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>-</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Accounts payable and accrued expenses	74,971
Salaries and wages payable	113,922
Total Liabilities	<u>188,893</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>-</u>
<b>Net Position:</b>	
Net investment in capital assets and long term receivables	949,502
Unrestricted	346,763
Total Net Position	<u>\$ 1,296,265</u>

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

Ben Gamla Charter School South Broward  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Activities  
For the year ended June 30, 2020

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	\$ 1,699,863	\$ -	\$ 147,638	\$ -	\$ (1,552,225)
Student support services	15,626	-	-	-	(15,626)
Instructional staff training	667	-	-	-	(667)
Board	23,833	-	-	-	(23,833)
General administration	92,771	-	-	-	(92,771)
School administration	390,657	-	-	-	(390,657)
Fiscal services	51,450	-	-	-	(51,450)
Food services	127,982	8,856	80,642	-	(38,484)
Central services	80,159	-	-	-	(80,159)
Operation of plant	580,013	-	-	250,736	(329,277)
Maintenance of plant	66,963	-	-	-	(66,963)
<b>Total governmental activities</b>	<b>3,129,984</b>	<b>8,856</b>	<b>228,280</b>	<b>250,736</b>	<b>(2,642,112)</b>
General revenues:					
FTE and other nonspecific revenues					2,550,603
Other revenues					75,483
Change in net position					(16,026)
Net position, beginning					1,312,291
Net position, ending					<u>\$ 1,296,265</u>

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

Ben Gamla Charter School South Broward  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Balance Sheet - Governmental Funds  
June 30, 2020

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>			
Cash	\$ 66,900	\$ -	\$ 66,900
Investment	370,000	-	370,000
Prepaid expenses and other assets	19,721	-	19,721
Due from other agencies	-	17,068	17,068
Due from fund	17,068	-	17,068
Total Assets	<u>473,689</u>	<u>17,068</u>	<u>490,757</u>
<b>Deferred Outflows of Resources</b>			
	-	-	-
<b><u>Liabilities</u></b>			
Salaries and wages payable	113,922	-	113,922
Accounts payable and accrued expenses	74,971	-	74,971
Due to fund	-	17,068	17,068
Total Liabilities	<u>188,893</u>	<u>17,068</u>	<u>205,961</u>
<b>Deferred Inflows of Resources</b>			
	-	-	-
<b><u>Fund balance</u></b>			
Nonspendable, not in spendable form	19,721	-	19,721
Unassigned	265,075	-	265,075
	<u>284,796</u>	<u>-</u>	<u>284,796</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 473,689</u>	<u>\$ 17,068</u>	<u>\$ 490,757</u>

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

Ben Gamla Charter School South Broward  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2020

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Total Fund Balance - Governmental Funds \$ 284,796

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

Capital assets of \$641,640 net of accumulated depreciation of \$432,455 used in governmental activities are not financial resources and therefore are not reported in the fund. 209,185

Long term deposits and receivables in governmental activities are not financial resources and therefore are not reported in the governmental funds. 802,284

Total Net Position - Governmental Activities \$ 1,296,265

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

Ben Gamla Charter School South Broward  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
For the year ended June 30, 2020

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
State passed through local	\$2,550,603	\$ -	\$ 2,550,603
State capital outlay funding	-	250,736	250,736
Federal sources	-	228,280	228,280
Charges for services and other revenue	75,483	8,856	84,339
Total Revenues	<u>2,626,086</u>	<u>487,872</u>	<u>3,113,958</u>
Expenditures:			
Current			
Instruction	1,489,051	147,638	1,636,689
Student support services	15,626	-	15,626
Instructional staff training	667	-	667
Board	23,833	-	23,833
General administration	92,771	-	92,771
School administration	390,621	-	390,621
Food services	-	127,982	127,982
Fiscal services	51,450	-	51,450
Central services	80,159	-	80,159
Operation of plant	288,827	250,736	539,563
Maintenance of plant	62,962	-	62,962
Capital Outlay:			
Other capital outlay	68,606	-	68,606
Total Expenditures	<u>2,564,573</u>	<u>526,356</u>	<u>3,090,929</u>
Excess (deficit) of revenues over expenditures	61,513	(38,484)	23,029
Other financing sources (uses)			
Transfers in (out)	<u>(38,484)</u>	<u>38,484</u>	<u>-</u>
Net change in fund balance	23,029	-	23,029
Fund Balance at beginning of year	<u>261,767</u>	<u>-</u>	<u>261,767</u>
Fund Balance at end of year	<u>\$ 284,796</u>	<u>\$ -</u>	<u>\$ 284,796</u>

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

Ben Gamla Charter School South Broward  
(A charter school under The National Ben Gamla Charter School 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, 2020

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Net Change in Fund Balance - Governmental Funds \$ 23,029

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 \$68,606 differed from depreciation expense of \$107,661. (39,055)

Change in Net Position of Governmental Activities \$ (16,026)

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



Ben Gamla Charter School South Broward  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Net Position - Fiduciary Funds  
June 30, 2020

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	<u>Agency Funds School's Internal Funds</u>
<b><u>Assets</u></b>	
Cash	\$ 1,060
Total Assets	<u>1,060</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>-</u>
<b><u>Liabilities</u></b>	
Due to students and clubs	<u>1,060</u>
Total Liabilities	<u>1,060</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>-</u>
<b><u>Net position</u></b>	<u>\$ -</u>

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

## **Ben Gamla Charter School South Broward**

(A Charter School under The National Ben Gamal Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2020

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

#### Reporting Entity

Ben Gamla Charter School South Broward (the "School"), is a component unit of the School Board of Broward County, Florida (the "District"). The Schools' charter is held by The National Ben Gamla Charter School Foundation, 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 The National Ben Gamla Charter School Foundation, Inc., which is composed of four members and also governs other charter schools. The board has determined that no component units exist 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 Broward County, Florida. The current charter expires on June 30, 2024 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 Plantation, Florida for students from kindergarten through eighth grades. These financial statements are for the year ended June 30, 2020, where on average on 343 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 as 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. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

#### 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. These statements also do not include fiduciary funds. Any internal interfund activity has been eliminated from the government-wide financial statements.

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. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues, and other miscellaneous sources.

## **Ben Gamla Charter School South Broward**

(A Charter School under The National Ben Gamal Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2020

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

#### *Fund Financial Statements*

Fund financial statements are provided for governmental and fiduciary funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflow 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.

Additionally, the School reports the following fiduciary fund types:

*Agency Fund* – accounts for resources of the School's Internal Fund, which is used to administer monies collected at the schools in connection with school, student athletics, class, and club activities.

#### 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. Revenues from non-exchange transactions are reported according to GASB Codification Section 1600.11 and Section N50 Accounting and Financial Reporting for Non-Exchange Transactions. 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. 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.

## **Ben Gamla Charter School South Broward**

(A Charter School under The National Ben Gamal Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2020

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

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. Agency fund assets and liabilities are accounted for on the accrual basis of accounting.

The Fiduciary Funds are reported using the economic resources measurement focus and the accrual basis of accounting.

#### Due from Other Governments or Agencies

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

#### 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.

#### 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.

#### 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 addresses 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).

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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.

**Ben Gamla Charter School South Broward**

(A Charter School under The National Ben Gamal Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2020

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

In addition to liabilities, the statement of net 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.

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 \$1,000 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 sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds. Estimated useful lives, in years, for depreciable assets are as follows:

Improvements	5 Years
Furniture, Equipment, and Computers	5 Years
Software	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. 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 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.

## **Ben Gamla Charter School South Broward**

(A Charter School under The National Ben Gamal Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2020

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### **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 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.

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 may receive a portion of the local capital improvement ad valorem tax revenues levied by the District.

#### Net Position and Fund Balance Classifications

##### *Government-wide financial statements*

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

- a) Net investment in capital assets and long-term receivables - consists of capital assets net of accumulated depreciation and long term receivables 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. There are no restricted net assets at year-end.
- c) Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets and long-term receivables."

## **Ben Gamla Charter School South Broward**

(A Charter School under The National Ben Gamal Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2020

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

When both restricted and unrestricted resources are available for a specific purpose, it is the District's policy to use restricted resources first, until exhausted, before using unrestricted resources.

#### *Fund Financial Statements*

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement 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 and prepaid expenses.
- b) 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. 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 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. There are no assigned fund balances at year end.
- e) Unassigned - fund balance is the residual classification for the School's general fund and includes all spendable amounts not contained in the other classifications.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

#### 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 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.

#### Income Taxes

The National Ben Gamla Charter School Foundation, 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.

## **Ben Gamla Charter School South Broward**

(A Charter School under The National Ben Gamal Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2020

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### **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 29, 2020, which is the date the financial statements were available to be issued.

### **Note 2 – Cash and Investments**

#### Deposits

The School maintains its cash in two financial institutions. As of June 30, 2020, the School's deposits consisted of cash balances of \$22,928.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under The National Ben Gamla Charter School Foundation, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of The National Ben Gamla Charter School Foundation, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2020, bank balances in potential excess of FDIC coverage was approximately \$73,455; including fiduciary account bank balances.

#### 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, 2020, the School has the following recurring fair value measurements:

- Government money market mutual fund of \$450,000 valued using 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 June 30, 2020 maturities of the fund's portfolio holdings are approximately 63% within 30 days.

#### 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.



**Ben Gamla Charter School South Broward**

(A Charter School under The National Ben Gamal Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2020

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

*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, 2020, 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.

**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, 2020:

	Balance 07/01/19	Additions	Transfers / Reclassification	Balance 06/30/20
Capital Assets, depreciable:				
Improvements	\$ 287,044	\$ 68,606	\$ -	\$ 355,650
Computer equipment and software	248,213	-	(105,517)	142,696
Furniture, equipment and textbooks	697,861	-	(554,567)	143,294
Total Capital Assets, depreciable	<u>1,233,118</u>	<u>68,606</u>	<u>(660,084)</u>	<u>641,640</u>
Less Accumulated Depreciation:				
Improvements	(191,261)	(46,594)	11,975	(225,880)
Computer equipment and software	(132,448)	(34,072)	51,577	(114,943)
Furniture, equipment and textbooks	(661,169)	(26,995)	596,532	(91,632)
Total Accumulated Depreciation	<u>(984,878)</u>	<u>(107,661)</u>	<u>660,084</u>	<u>(432,455)</u>
Capital Assets, net	<u>\$ 248,240</u>	<u>\$ (39,055)</u>	<u>\$ -</u>	<u>\$ 209,185</u>

For the fiscal year ended June 30, 2020, depreciation expense is allocated in the Statement of Activities by function as follows:

Instruction	\$ 63,174
School administration	36
Operation of plant	40,450
Maintenance of plant	4,001
Total Depreciation Expense	<u>\$ 107,661</u>

## Ben Gamla Charter School South Broward

(A Charter School under The National Ben Gamal Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2020

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### Note 4 – Education Service and Support Provider

Academica Broward, 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, financial reporting and virtual education services. The agreement between the School and Academica Broward, LLC calls for a fee on a per student basis. The agreement is with The National Ben Gamla Charter School Foundation, Inc. for a period of five years, 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, 2020, the School incurred \$154,350 in fees.

### Note 5 – Transactions with other divisions of The National Ben Gamla Charter School Foundation, Inc.

The School’s lunch program is shared with various other charter schools under The National Ben Gamla Charter School Foundation, Inc. Revenues and expenses related to such program have been allocated based on FTE equivalent for purposes of presentation in the financial statements.

The National Ben Gamla Charter School Foundation, Inc. charges its affiliated charter schools an assessment for shared corporate costs and accreditation expenses. Ben Gamla Charter School South Broward paid The National Ben Gamla Charter School Foundation, Inc. \$51,450 in connection with these charges during the year.

The following schedule provides a summary of changes in long-term receivables due from other charter schools under and from The National Ben Gamla Charter School Foundation, Inc. for the year ended June 30, 2020.

	Balance 07/01/19	Issuance	Collections	Balance 06/30/20
Due from Ben Gamla Charter School - Hollywood	\$ 142,500	\$ -	\$ -	\$ 142,500
Due from Ben Gamla Preparatory High School	77,817	-	-	77,817
Due from The National Ben Gamla Charter School Foundation, Inc.	520,000	-	-	520,000
Total Long Term Receivables	<u>\$ 740,317</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 740,317</u>

### Note 6 – Commitments, Contingencies and Concentrations

The National Ben Gamla Charter School Foundation, Inc., on behalf of the School, entered into an amended lease agreement with Samuel M. and Helene Soref, Jewish Community Center, Inc. (“Soref JCC”) for use of a portion of its premises including some ancillary facilities, outdoor areas and other improvements.

**Ben Gamla Charter School South Broward**

(A Charter School under The National Ben Gamal Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2020

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**Note 6 – Commitments, Contingencies and Concentrations (continued)**

The amended lease agreement was renewed through July 31, 2020 with two five-year renewal periods remaining. The School exercised their option and extended the agreement for an additional 5 years ending July 30, 2025. Under the amended agreement, as renewed, minimum annual lease payments are \$220,000. The agreement includes additional monthly charges for maintenance and security services of approximately \$16,500, increasing 5% annually.

For 2020, rent expense including direct facility expenses incurred totaled \$218,592. In addition, the School had prepaid rent of \$16,667 as of June 30, 2020.

Future minimum payments under the operating leases, additional monthly charges for maintenance and security services, are as follows:

<u>Year</u>		
2021	\$	239,421
2022	\$	240,292
2023	\$	241,207
2024	\$	242,167
2025	\$	243,176

Contingencies and Concentrations

The School receives substantially all of its funding from the State through 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 up to 5% of the qualifying revenues of the School. For the year ended June 30, 2020, administrative fees totaled \$92,771.

On January 21, 2020 the Centers for Disease Control and Preventions (CDC) confirmed the first case of 2019 Novel Coronavirus (COVID-19) in the United States. The ongoing spread of the new COVID-19 has become a threat to the global economy and financial markets. Pursuant to local emergency orders, the School converted to distance learning on March 13, 2020 for the remainder of the school year. In addition, the School will begin the 2020-2021 school year under distance learning. The ultimate effect of COVID-19 on the School and its future operations cannot presently be determined.

**Ben Gamla Charter School South Broward**

(A Charter School under The National Ben Gamal Charter School Foundation, Inc.)

Notes to Financial Statements

June 30, 2020

**Note 6 – Commitments, Contingencies and Concentrations (continued)**

On May 5, 2020, The National Ben Gamla Charter School Foundation, Inc. was granted a loan from a financial institution in the aggregate amount of \$1,583,900, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted on March 27, 2020. The proceeds from the loan were recorded on the books of Ben Gamla Hollywood (5410) and will be distributed equitably among the network schools in accordance with the provisions of the CARES Act.

**Note 7 – Risk Management**

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. 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.

The School has entered into a strategic relationship with ADP TotalSource, Inc., a human resource management firm, typically known as “Professional Employer Organization” (PEO). Under a co-employment agreement, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management. Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions.

**Note 8 - Interfund Transfers and Balances**

Interfund transfers and balances as of June 30, 2020 consists of the following:

	General Fund	Special Revenue Fund Non - Major	Capital Projects Fund Non - Major
To fund lunch deficit	\$ (38,484)	\$ 38,484	\$ -
Total Transfers, net	<u>\$ (38,484)</u>	<u>\$ 38,484</u>	<u>\$ -</u>
Due to General Fund from Capital Projects Fund for capital outlay	\$ 17,068	\$ -	\$ (17,068)
Total Due from/(Due to)	<u>\$ 17,068</u>	<u>\$ -</u>	<u>\$ (17,068)</u>

**Note 9 – 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 50% of the employee’s contribution up to 4% of the employee’s compensation. The School contributed \$9,314 to the Plan for the year ended June 30, 2020. The School does not exercise any control or fiduciary responsibility over the Plans’ assets, which are administered by VOYA Financial.

REQUIRED SUPPLEMENTARY INFORMATION

Ben Gamla Charter School South Broward  
(A charter school under The National Ben Gamla Charter School Foundation, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2020

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 2,464,586	\$ 2,547,085	\$ 2,550,603
Other revenue	53,400	73,487	75,483
Total Revenues	<u>2,517,986</u>	<u>2,620,572</u>	<u>2,626,086</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	1,351,208	1,479,134	1,489,051
Student support services	10,750	6,750	15,626
Instructional staff training	750	7,500	667
Board	25,525	25,863	23,833
General administration	92,238	92,824	92,771
School administration	422,125	397,753	390,621
Fiscal services	20,100	51,450	51,450
Central services	80,900	80,160	80,159
Operation of plant	247,425	289,663	288,827
Maintenance of plant	45,000	62,310	62,962
Total Current Expenditures	<u>2,296,021</u>	<u>2,493,407</u>	<u>2,495,967</u>
Excess of Revenues Over Current Expenditures	<u>221,965</u>	<u>127,165</u>	<u>130,119</u>
Capital Outlay	<u>70,000</u>	<u>70,000</u>	<u>68,606</u>
Total Expenditures	<u>2,366,021</u>	<u>2,563,407</u>	<u>2,564,573</u>
Excess of Revenues Over Expenditures	151,965	57,165	61,513
Other financing sources (uses):			
Transfers in (out)	<u>(62,860)</u>	<u>(56,950)</u>	<u>(38,484)</u>
Net change in fund balance	89,105	215	23,029
Fund Balance at beginning of year	<u>261,767</u>	<u>261,767</u>	<u>261,767</u>
Fund Balance at end of year	<u>\$ 350,872</u>	<u>\$ 261,982</u>	<u>\$ 284,796</u>

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.



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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To the Board of Directors of  
Ben Gamla Charter School South Broward  
Plantation, 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, each major fund, and the aggregate remaining fund balance of Ben Gamla Charter School South Broward (the "School") as of, and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 29, 2020.

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

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing 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.

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## 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 financial statements. 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 management in a letter dated September 29, 2020 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.

Handwritten signature in blue ink that reads "HLB Gravier, LLP".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 29, 2020





## MANAGEMENT LETTER

To the Board of Directors of  
Ben Gamla Charter School South Broward  
Plantation, Florida

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

We have audited the financial statements of Ben Gamla Charter School South Broward, Florida as of and for the fiscal year ended June 30, 2020 and have issued our report thereon dated September 29, 2020.

### **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 Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 29, 2020, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address 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 and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Ben Gamla Charter School South Broward, 5392.

### **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 Ben Gamla Charter School South Broward has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that Ben Gamla Charter School South Broward 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 Ben Gamla Charter School South Broward. It is management's responsibility to monitor Ben Gamla Charter School South Broward financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendation to improve financial management. In connection with our audit, we have no such recommendations.

### **Transparency**

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

### **Additional Matters**

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

### **Status of Prior Year's Recommendations**

#### **ML – 19-01 CAPITAL ASSETS**

Recommendation: We recommend that the School perform an annual inventory of all capital assets and reconcile to the capital asset ledgers recorded on the School's books.

Status: The School has adopted financial policies and procedures regarding capital assets, to include a formal process of reconciling the capital assets inventory to the School's trial balance.

**ML – 19-02 INTERNAL ACCOUNT DEPOSITS**

**Recommendation:** We recommend that the School adheres to its internal control policies and procedures relating to the internal account so that all deposits, cash receipts along with recap sheets are properly counted, reviewed, reconciled and signed by the appropriate personnel.

**Status:** During our testing of the School’s internal account we noted no exceptions pertaining to their deposits.

**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 Broward 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.

Handwritten signature in blue ink that reads "HLB Gravier, CPA".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 29, 2020