

EARLY BEGINNINGS ACADEMY
(a “Charter School”)

SPECIAL PURPOSE FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

EARLY BEGINNINGS ACADEMY
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.
d/b/a United Community Options of South Florida Charter Schools
Miami, Florida

We have audited the accompanying special purpose financial statements of Early Beginnings Academy (the "School"), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.
d/b/a United Community Options of South Florida Charter Schools
Miami, Florida

Opinion

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of Early Beginnings Academy as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As explained in Note 1 to the special purpose financial statements, the financial statements being presented is only for the School referred to above, which is a program of United Cerebral Palsy of South Florida Charter Schools, Inc. d/b/a United Community Options of South Florida Charter Schools. The special purpose financial statements do not include the statements of financial position, activities and changes in net assets, functional expenses and cash flows of United Cerebral Palsy of South Florida Charter Schools, Inc. (a not-for-profit organization). Accordingly, the accompanying special purpose financial statements are not intended to present the financial position of United Cerebral Palsy of South Florida Charter Schools, Inc. as of June 30, 2021 and 2020 or its results of operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2021, 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 solely 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 effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Menendez & Company

Pembroke Pines, FL
September 15, 2021

**EARLY BEGINNINGS ACADEMY
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,207,934	\$ 1,079,357
Accounts receivable, net	6,815	97,124
Unemployment reserve	4,905	3,777
Prepaid expenses	29,028	14,660
TOTAL CURRENT ASSETS	1,248,682	1,194,918
 PROPERTY AND EQUIPMENT, net	 159,866	 29,454
TOTAL ASSETS	\$ 1,408,548	\$ 1,224,372
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 57,299	\$ 18,079
Payroll related liabilities	44,748	8,987
Due to United Cerebral Palsy Association of Miami, Inc.	155,907	293,139
TOTAL CURRENT LIABILITIES	257,954	320,205
 NET ASSETS		
Net assets without donor restrictions	1,150,594	904,167
TOTAL NET ASSETS	1,150,594	904,167
TOTAL LIABILITIES AND NET ASSETS	\$ 1,408,548	\$ 1,224,372

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

**EARLY BEGINNINGS ACADEMY
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
School Board of Miami-Dade County:		
FEFP Funding	\$ 2,484,694	\$ 2,355,002
IDEA Funding	93,357	88,815
Capital Outlay Funding	83,476	75,765
Safe School Officer Allocation	61,763	62,540
Other	-	20,684
Contributions	26,690	31,768
Other	4,695	3,786
	2,754,675	2,638,360
EXPENSES		
Program Services	2,209,031	2,095,858
Management and General Supporting Services	299,217	278,016
	TOTAL EXPENSES 2,508,248	2,373,874
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	246,427	264,486
NET ASSETS AT BEGINNING OF YEAR	904,167	639,681
NET ASSETS AT END OF YEAR	\$ 1,150,594	\$ 904,167

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

**EARLY BEGINNINGS ACADEMY
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021			2020		
	Program Services	Management and General	Total	Program Services	Management and General	Total
EXPENSES						
Salaries, payroll taxes, and employee benefits	\$ 1,261,538	\$ -	\$ 1,261,538	\$ 1,325,326	\$ -	\$ 1,325,326
Professional fees	265,016	22,000	287,016	184,958	21,500	206,458
Administration fees	132,068	256,365	388,433	122,623	238,033	360,656
Student transportation	98,250	-	98,250	96,130	-	96,130
Insurance	-	13,415	13,415	-	13,014	13,014
Repair & Maintenance	11,600	-	11,600	-	-	-
Rent	261,828	-	261,828	261,828	-	261,828
Communication	2,164	-	2,164	867	-	867
Supplies	157,531	-	157,531	88,968	-	88,968
Dues & Fees	3,320	7,437	10,757	4,825	5,469	10,294
Depreciation	15,716	-	15,716	10,333	-	10,333
TOTAL FUNCTIONAL EXPENSES	\$ 2,209,031	\$ 299,217	\$ 2,508,248	\$ 2,095,858	\$ 278,016	\$ 2,373,874

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

**EARLY BEGINNINGS ACADEMY
SPECIAL PURPOSE FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 246,427	\$ 264,486
Adjustment to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	15,716	10,333
Decrease (increase) in:		
Accounts receivable	90,309	11,272
Unemployment reserve	(1,128)	(571)
Prepaid expenses	(14,368)	(14,544)
Increase (decrease) in:		
Accounts payable and accrued expenses	39,220	3,614
Payroll related liabilities	35,761	(10,551)
TOTAL ADJUSTMENTS	165,510	(447)
NET CASH PROVIDED BY OPERATING ACTIVITIES	411,937	264,039
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to building improvements	(51,956)	-
Additions to furniture and equipment	(94,172)	(11,325)
NET CASH USED IN INVESTING ACTIVITIES	(146,128)	(11,325)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in balance due to United Cerebral Palsy Association of Miami, Inc.	(137,232)	111,479
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(137,232)	111,479
NET INCREASE IN CASH	128,577	364,193
CASH AT BEGINNING OF YEAR	1,079,357	715,164
CASH AT END OF YEAR	\$ 1,207,934	\$ 1,079,357

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

**EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

Note 1 NATURE OF ACTIVITIES

Nature of Activities

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

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

The School provides special education for students grades Pre-K to 4th grade. The maximum enrollment capacity of the school is 150 students.

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

Board of Directors

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

Roy Lustig	Chairperson / President
Raisa Bauza	Vice-Chairperson / Secretary / Parent Member
Valerie Jennings	Member
Daphne Jean-Pierre	Member
Dale Jennings	Member

School Location and Enrollment

<u>School Name and Addresses</u>	<u>Location No.</u>	<u>Grades</u>	<u>Enroll-ment</u>	<u>School Principal</u>
Early Beginnings Academy	4070	Pre-K, K – 4 th	126	Makeesha Coleman

School location at Civic Center: 1411 NW 14th Ave., Miami, FL 33125

**EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the School to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School. These net assets may be used at the discretion of the School's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School, or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

New Accounting Pronouncement

As of July 1, 2020, the School adopted the provisions of FASB Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for the year ending June 30, 2021 are presented under FASB ASC Topic 606. The ASU has been applied retrospectively to all periods with no effect on net assets or previously issued financial statements.

Reclassification

Certain reclassifications have been made to the 2020 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Cash and Cash Equivalents

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

EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020

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

Credit Risk

Financial instruments which potentially subject the School to concentration of credit risk consist principally of cash and accounts receivable. The School maintains its cash in bank deposit accounts which, at times, may exceed the Federal Deposit Insurance Corporation (“FDIC”) insured limits up to \$250,000. At June 30, 2021, the School had uninsured cash balances of approximately \$998,000.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. However, donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

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

Accounts Receivable

The School uses the allowance method to account for uncollectible accounts receivable. The allowance for doubtful accounts is based on management analysis of possible bad debts. As of June 30, 2021 and 2020, there was no allowance for doubtful accounts.

Property and Equipment

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

Impairment of Long Lived Assets

The School’s management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2021, and in the opinion of management, there was no impairment.

Use of Estimates

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

**EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

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

Revenue Sources

School Board of Miami-Dade County

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

In accordance with the charter agreement, the School Board retains five percent as an administrative fee, approximately \$45,000 and \$41,800 during the years ended June 30, 2021 and 2020 and are reflected as a reduction against FEFP funding on the statement of activities.

Capital Outlay Funds

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

Other Sources

The School also receives federal awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted and approved by various granting agencies. For federal awards which require incurring eligible expenditures, revenue is recognized to the extent eligible expenditures have been incurred. In the fiscal year 2021 and 2020, the School received a federal award through Individuals with Disability Education Act (IDEA).

Functional Allocation of Expenses

The School allocates expenses on a functional basis among its programs and supporting services. Expenses that can be identified as belonging to a specific program and/or support service are allocated directly according to their natural expense classification.

Tax Status

The Organization, and therefore the School, is a non-profit organization exempt from federal income taxes under Sec. 501(c)(3) of the Internal Revenue Code and has been classified as a public charity. The School's activities have been in furtherance of the Organization's tax-exempt purpose and there is no unrelated business income subject to taxation. As of June 30, 2021, with a few exceptions, the School is no longer subject to income tax examinations by the United States federal taxing authority for any tax year before 2018.

**EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

Note 3 PROPERTY AND EQUIPMENT

For the years ended June 30, 2021 and 2020, the School's property and equipment consisted of the following:

	2021	2020
Building improvements	\$ 58,858	\$ 6,902
Furniture and equipment	244,000	149,828
	302,858	156,730
Less: Accumulated depreciation	142,992	127,276
	\$ 159,866	\$ 29,454

Depreciation expense for the years ended June 30, 2021 and 2020 was \$15,716 and \$10,333, respectively.

Upon non-renewal or termination of the School's contract with the School Board, any property, improvements, furnishings and equipment purchased with public funds shall automatically revert to the School Board. As of June 30, 2021, the cost and the net book value of property and equipment purchased with public funds was \$289,378 and \$156,390, respectively.

Note 4 RELATED PARTY TRANSACTIONS

United Cerebral Palsy of South Florida Charter Schools, Inc. and United Cerebral Palsy Association of Miami, Inc. d/b/a United Community Options of Miami (UCOM) are considered to be related parties for financial statement reporting purposes. UCOM is tax-exempt not-for-profit corporation who provides services to the developmentally disabled and the handicapped. UCOM provides to the School managerial, administrative, accounting and other related services, general liability and property insurance coverage, educational leadership services, funds for startup costs and working capital, and leases classroom space and facilities to the School.

UCOM provides administrative and educational leadership services to the School. Fees for these services can be adjusted based on the School's financial ability. The fees from UCOM for administrative and educational leadership services for the years ended June 30, 2021 and 2020 was \$388,433 and \$360,656, respectively.

In addition, the agreement provides for the following services:

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

Therapy: UCOM will coordinate and supervise therapy services for school students during the school year. The charges for these services are based on the time spent on services provided.

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

**EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

Note 4 RELATED PARTY TRANSACTIONS (Continued)

The fees for these services from UCOM for the year ended June 30, 2021 and 2020 was \$765,776 and \$1,205,936, respectively.

The School leases its classroom facilities from UCOM. On July 1, 2019, the School and UCOM entered into a new lease agreement for classroom facilities. The lease is through June 30, 2024, with options to renew for two five-year periods. The annual cost shall be \$257,760 payable in twelve equal monthly installments of \$21,480. The lease contains a rent adjustment to fair market square footage that may be instituted at the end of each year depending on the school financial ability. For the years ended June 30, 2021 and 2020, the rent expense for the School were \$261,828 and \$261,828, respectively.

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

<u>Years</u>	<u>Total</u>
2022	257,760
2023	257,760
2024	257,760

UCOM's central office is located at 2700 West 81st Street, Hialeah, Florida and its main program facility is located at 1411 N.W. 14th Street, Miami, Florida. As of June 30, 2021, the School was indebted to UCOM in the amount of \$155,907.

Note 5 EMPLOYEE BENEFIT PLAN

The School has a 403(b) retirement plan. Under 403(b), the employees may contribute up to 100 percent of their annual compensation, subject to certain statutory limitations. The School matches employee contributions at 50 percent up to 6 percent of the employees' compensation. The School's contributions to the 403(b) vest ratably over two to six years of service as specified in the plan. For the years ended June 30, 2021 and 2020, the School's cost under the retirement plan was approximately \$3,321 and \$2,282, respectively. The plan is held in a trust for the exclusive benefit of the participants and their beneficiaries; consequently, the School has no fiduciary responsibility and the net assets of the plan are not included in the School's special purpose financial statements.

Note 6 ECONOMIC DEPENDENCE

For the year ended June 30, 2021, revenue received from the School Board represented 99% of the School's total revenue. The School's ability to continue operating is predicated on the School Board's continued support and funding. If a significant reduction were to occur, it would have an adverse effect on the School's ability to continue operating the programs and services being provided.

**EARLY BEGINNINGS ACADEMY
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

Note 7 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The School has \$1,214,749 of financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of \$1,207,934 and accounts receivable, net of \$6,815. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 8 SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 15, 2021, which is the date the financial statements were available to be issued.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. However, the related financial impact and duration cannot be reasonably estimated at this time.



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

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.
d/b/a United Community Options of South Florida Charter Schools
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special purpose financial statements of Early Beginnings Academy (the School), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 15, 2021.

Internal Control Over Financial Reporting

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

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

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

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.
d/b/a United Community Options of South Florida Charter Schools
Miami, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

Menendez & Company

Pembroke Pines, FL
September 15, 2021



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

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.
d/b/a United Community Options of South Florida Charter Schools
Miami, Florida

Report on the Financial Statements

We have audited the special purpose financial statements of the Early Beginnings Academy (the School) as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 15, 2021.

Auditor's Responsibility

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

Other Reports and Schedules

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, which is dated September 15, 2021, and should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity is Early Beginnings Academy and the School code assigned is 4070.

To the Board of Directors of
United Cerebral Palsy of South Florida Charter Schools, Inc.
d/b/a United Community Options of South Florida Charter Schools
Miami, Florida

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, requires that we 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 identify the specific conditions met. In connection with our audit, we determined that the Early Beginnings Academy did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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 Early Beginnings Academy. It is management's responsibility to monitor the Early Beginnings Academy's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Transparency

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

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.

Purpose of this Letter

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

Menendez & Company

Pembroke Pines, FL
September 15, 2021