

Jose F. Montes de Oca, Chief Auditor
Office of Management and Compliance Audits

**SUBJECT: REVIEW OF AUDITED FINANCIAL STATEMENTS OF 36
CHARTER SCHOOLS FOR THE FISCAL YEAR ENDED JUNE
30, 2009**

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

**LINK TO STRATEGIC
FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

Presented for your receipt and filing is the second and final group of audited financial statements of Miami-Dade County charter schools, comprising the statements of 36 of the 72 schools that were in existence during the 2008-09 fiscal year. The Audit Committee approved and transmitted the first group of 36 schools to you at its December 8, 2009 meeting.

Of the 36 audits being presented, one (Excel Academy North), contains serious financial issues, two (Charter on the Beach Middle and Tree of Knowledge Learning Academy) have already terminated operations, and the remaining 33 were determined to have no significant fiscal issues.

The 36 charter schools presented for this meeting are as follow:

One School With Serious Financial Issues

Excel Academy North – The school submitted its June 30, 2009 audited financial statements substantially late and the audit was not compliant with applicable auditing standards. At our request, the school re-submitted its audited statements which were re-issued after the external auditors re-stated their opinion. Although the school's statements reflect total net assets of \$34,511, the audit report contains a qualified opinion in which the external auditors were unable to provide assurance about whether general fund expenditures were fairly stated at \$348,644. This presents a very serious limitation to our ability to monitor the school's financial management and condition in accordance with the sponsor's oversight responsibilities.

In addition, the management letter indicates six adverse findings related to compliance or internal controls. Findings 09-ML-03 and 09-ML-06 address the lack of an effective control to allocate expenses to the school and that the school did not have its own bank account - a deficiency that had been previously discussed with Excel's management.

Two Schools That Have Already Terminated Operations

Charter on the Beach Middle School
Tree of Knowledge Learning Academy

E-86

33 Schools With No Significant Issues

Academy of Arts and Minds	Miami Community Charter Middle
Aspira Eugenio Maria de Hostos Youth Leadership	Renaissance Elementary Charter School
Aspira South Youth Leadership	Renaissance Middle Charter School
Aspira Youth Leadership	River Cities Community Charter School
City of Hialeah Education Academy	Somerset Academy
Doctors Charter School of Miami Shores	Somerset Academy Charter High
Downtown Miami Charter School	Somerset Academy Charter High (South)
Early Beginnings – Civic Center	Somerset Academy Charter Middle
Excelsior Language Academy of Hialeah	Somerset Academy Middle (South)
Florida International Academy	Somerset City Arts Academy
Florida School for Integrated Academics and Technologies	Somerset Country Palms
International Studies Charter High	Somerset Middle Country Palms
Keys Gate Charter School	Somerset at Silver Palms
Life Skills Center Miami-Dade County	Summerville Charter School
Life Skills Center Opa-Locka	The Charter School at Waterstone
Miami Children's Museum Charter School	Theodore R. and Thelma A. Gibson Charter School
	Youth Co-op Charter School

The full audited financial statements and correspondence, if any, can be found on the accompanying compact disk (CD), where provided, or at http://mca.dadeschools.net/CBO_Charter_0910.asp.

The School Board Audit Committee reviewed this report at its January 26, 2010 meeting and recommended transmitting it to the School Board.

Copies of this report have been distributed and placed on file in the Office of the Recording Secretary to the School Board and in the Citizen Information Center. Additional copies will be provided upon request.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, receive and file the Review of Audited Financial Statements of 36 Charter Schools for the Fiscal Year Ended June 30, 2009

JFM:la