

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

**SUBJECT: REVIEW OF AUDITED FINANCIAL STATEMENTS OF THE 16
 OF 120 CHARTER SCHOOLS OPERATING DURING THE
 FISCAL YEAR ENDED JUNE 30, 2013**

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

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

At its May 13, 2014, meeting, the School Board Audit and Budget Advisory Committee (the Committee) was presented with the June 30, 2013, financial statements of 16 of the 120 charter schools that were in operation during fiscal year 2012-13.

Financial statements for five Doral schools had no significant issues, while seven other: Lincoln Marti (4), Mavericks (2), and Florida School for Integrated Academics and Technologies (1), presented some concerns which were addressed to our satisfaction.

However, at four schools: Mater Academy, Mater Academy Charter Middle School, Mater Academy Charter High School, and Mater Performing Arts & Entertainment Academy, we harbor concerns about transfers of \$7.4 million of public funds that were categorized as long-term, non-interest advances to Mater Academy, Inc. (corporate account, holder of the charter contract). Neither the purpose nor the use of these funds were provided or otherwise made evident to us. In order to ascertain the purpose, use and/or recipients of the subject transfers, we requested but were denied access to certain documents from the Mater Academy, Inc. The most important documents requested, in order to provide a basic level of transparency, included the audited financial statements of Mater Academy, Inc. for the years ended June 30, 2012 and 2013. At the above-mentioned Committee meeting, the legal representative from these schools committed to provide the requested documentation. We are currently in the process of analyzing the records provided to establish the propriety of these transfers and will subsequently communicate to the School Board the results of our review under separate cover.

The audited financial statements are posted at http://mca.dadeschools.net/CBO_Charter_1213.asp.

The Committee reviewed these financial statements and recommended transmitting them to the School Board.

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A copy of the Compact Disk (CD) containing the financial statements was 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 the 16 of 120 Charter Schools Operating During the Fiscal Year Ended June 30, 2013.

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