

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

**SUBJECT: REVIEW OF AUDITED FINANCIAL STATEMENTS OF 10 CHARTER SCHOOLS INCLUDING 9 SCHOOLS THAT MET ONE OR MORE CONDITIONS OF THE FINANCIAL EMERGENCY STATUTE, AND THEIR CORRECTIVE ACTION PLANS FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS**

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

At the December 7, 2010 meeting, the School Board Audit Committee (the Committee) reviewed the financial statements of 10 charter schools, including 9 that met one or more conditions of §218.503, Florida Statutes (Determination of Financial Emergency). The Committee also reviewed the 9 related Corrective Action Plans, which had been jointly developed and submitted to the State Commissioner of Education by the District and schools in accordance with §1002.345, Florida Statutes. The tenth school reviewed, Coral Reef Montessori Academy Charter School, was found to have been out of compliance with §1002.33, Florida Statutes, as amended in 2009, relating to relatives on the Governing Board; however, the school corrected this matter in November 2010. The 9 aforementioned schools whose audited financial statements and corrective action plans were reviewed are as follows:

- Advanced Learning Charter School
- Archimedean Academy
- Balere Academy
- Lincoln-Marti Charter School Hialeah
- Miami Arts Charter School
- New Alternative Education High School – North Miami (Mavericks High of North Dade)
- Richard Allen Leadership Academy
- Sandor Wiener School of Opportunity North
- Sandor Wiener School of Opportunity South

The Committee discussed Balere Academy and expressed concerns with the school's viability, as well as Miami Arts Charter School, which we questioned in regards to a possible violation of State nepotism laws. Specifically, the spouse of the charter school's Director/Principal is employed as an assistant principal of the school, an arrangement expressly prohibited by Florida Statute 1002.33, as amended in 2009. Charter school representatives expressed to the Committee that they had consulted the matter with the Department of Education, and according to the Department, this arrangement posed no violation of charter school law. The Committee determined that issues related to both schools need to be resolved between the District administration and the charter schools in consultation with the Florida Department of Education. We plan to bring an update to the Committee on the results of these pending issues.

**E-86**

The Committee recommended transmitting to the School Board the financial statements of the 10 charter schools and the corrective action plans of 9 charter schools meeting one or more conditions of the financial emergency statute.

Statements may be viewed at [http://mca.dadeschools.net/CBO Charter AC Dec2010.asp](http://mca.dadeschools.net/CBO_Charter_AC_Dec2010.asp). Copies of the financial statements and the correction action plans were previously 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 10 Charter Schools Including 9 Schools that Met One or More Conditions of the Financial Emergency Statute, and their Corrective Action Plans for the Fiscal Year Ended June 30, 2010.

JFM:la