

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

SUBJECT: REVIEW OF AUDITED FINANCIAL STATEMENTS FOR 36 OF 126 CHARTER SCHOOLS AND TWO COMMUNITY BASED ORGANIZATIONS OPERATING DURING THE FISCAL YEAR ENDED JUNE 30, 2014

COMMITTEE: FISCAL ACCOUNTABILITY

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

At its March 10, 2015, meeting, the School Board Audit and Budget Advisory Committee (the Committee) presented the June 30, 2014, financial statements of thirty-six charter schools and two community based organizations as categorized below. The audited financial statements may be viewed at http://mca.dadeschools.net/CBO_Charter_1415.asp.

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Twenty-Nine Charter Schools Which Are Free Of Significant Fiscal Concerns

- Academir Charter School Middle
- Academir Charter School West
- Advantage Academy of Math and Science at Summerville
- Advantage Academy of Math and Science at Waterstone+
- Advantage Academy Santa Fe Charter School
- ASPIRA Eugenia Maria de Hostos Charter School
- ASPIRA South Youth Leadership Charter School
- ASPIRA Raul Arnaldo Martinez Charter School
- Bridgeprep Academy Interamerican
- Bridgeprep Academy of Greater Miami Charter School
- Bridgeprep Academy of Village Green Charter School
- Bridgeprep Academy Charter School*
- Everglades Preparatory Academy*+
- Everglades Preparatory High School+
- Integrated Science and Asian Culture Academy, Inc.
- International Studies Charter High School
- International Studies Charter Middle School*
- Miami Community Charter High School, Inc.
- Miami Community Charter Middle School, Inc.*
- Miami Community Charter School*
- Palm Glades Preparatory Academy*

- Palm Glades Preparatory High School
- RAMZ Academy K-5 Miami Campus
- RAMZ Academy 6-8 Middle Miami Campus¹
- Somerset Academy Elementary School (South Miami Campus) *
- Stellar Leadership Academy, Inc.
- Summerville Advantage Academy†
- The Charter School at Waterstone, Inc. *†
- Theodore R. and Thelma A. Gibson Charter School, Inc.

Seven Schools With Fiscal and/or Governance Concerns

- The Doral Academy
- Doral Academy Charter Middle School*
- Doral Academy High School
- Doral Academy of Technology
- Doral Performing Arts and Entertainment Academy*
- Just Arts and Management Charter Middle School
- Somerset Academy Charter High School*

The June 30, 2014, financial statements of the seven above schools reflect adequate or ample year-end financial positions. However, regarding the Doral Academy schools above (including Just Arts and Management), we continue to have concerns about the composition of Doral Academy, Inc.'s governing Board and with Doral Academy Charter High School's payments to Doral College, Inc. Regarding Somerset Academy Charter High School, during the September 23, 2013, meeting of the Governing Board of Somerset Academy, Inc. the Board approved an educational services agreement between the High School and Doral College, Inc. in the amount of \$100,000 for the 2013-2014 fiscal year. The agreement approved and executed does not contractually guarantee that the High School will receive any benefit from the College in exchange for its payment of public funds.

Two Community Based Organizations (CBOs) Which Are Free Of Significant Fiscal Concerns

Additionally, we reviewed the June 30, 2014, audited financial statements of the following two CBOs for which the District contracts to provide alternative education services. We found both CBOs to be financially sound.

- AMIkids Miami-Dade, Inc.
- Richmond-Perrine Optimist Club, Inc. of Miami, Florida

† These schools are currently in the process of re-negotiating their contracts with their management company to reduce the term and more fully comply with best practices.

* These schools appear to have made interest free advances or transfers to other charter schools governed by the same legal entity when no goods, services or deliverables were provided in exchange by the receiving school. We have requested guidance and clarification from the Florida Department of Education as to the propriety and legality of this practice.

¹ School closed at end of 2013-14 School Year due to poor academic performance.

The Committee reviewed these financial statements at its March 10, 2015, meeting and recommended transmitting it 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.

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RECOMMENDED: That The School Board of Miami-Dade County, Florida, receive and file the Review of Audited Financial Statements for 36 of 126 Charter Schools and Two Community Based Organizations Operating During the Fiscal Year Ended June 30, 2014.

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