

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

**SUBJECT: REVIEW OF AUDITED FINANCIAL STATEMENTS FOR 27 OF 125
CHARTER SCHOOLS OPERATING DURING THE FISCAL YEAR
ENDED JUNE 30, 2015**

COMMITTEE: FISCAL ACCOUNTABILITY

**LINK TO STRATEGIC
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At its March 15, 2016, meeting, the School Board Audit and Budget Advisory Committee (the Committee or ABAC) were presented with the June 30, 2015, certified financial statements of 27 charter schools.

- Academy of Arts and Minds Charter High School
- Advantage Academy of Math and Science at Summerville
- Advantage Academy of Math and Science at Waterstone
- Archimedean Academy
- Archimedean Middle Conservatory
- Archimedean Upper Conservatory
- Doral Academy Charter Middle School
- Doral Academy of Technology
- Doral Performing Arts and Entertainment Academy
- The Doral Academy
- Everglades Preparatory Academy
- Everglades Preparatory High School
- Excelsior Academies, Inc. dba Excelsior Charter Academy
- Excelsior Academies, Inc. dba Excelsior Language Academy of Hialeah
- iMater Academy
- Lincoln-Marti Charter Schools, Inc. - Charter High School of the Americas
- Lincoln-Marti Charter Schools, Inc. - Hialeah Campus Charter School
- Lincoln-Marti Charter Schools, Inc. - International Campus Charter School
- Lincoln-Marti Charter Schools, Inc. - Little Havana Campus Charter School
- Miami Community Charter High School, Inc.
- Miami Community Charter Middle School, Inc.
- Miami Community Charter School, Inc.
- Oxford Academy of Miami, Inc.
- Palm Glades Preparatory Academy
- Palm Glades Preparatory High School
- Summerville Advantage Academy
- The Charter School at Waterstone, Inc.

Four Lincoln-Marti charter schools' financial statements, initially presented at the January 26, 2016 meeting, were tabled until the March 15, 2016 meeting to allow the schools' administration to provide more documentation. After extensive review of the financial statements and additional related documentation, and discussions with the schools' representatives, OMCA's firm position remains that the financial statements submitted are not in accordance with Generally Accepted Accounting Principles. As a result, the schools' revenues and fund balances as of June 30, 2015 were overstated by \$1,096,679, which is the amount of certain contributions made to the schools on August 17, 2015 by two contributing entities. OMCA requested that the schools restate and reissue their financial statements to correct the overstatement of revenues and fund balances. Although the schools representatives' position is that restatement and reissuance are not necessary, pursuant to the advice of the successor independent auditor, they committed to changing their revenue recognition policy, prospectively, to avoid a similar situation in the future.

Regarding the four Lincoln-Marti schools' financials, the Committee voted to transmit them to the School Board, with two members abstaining, and two members voting against transmittal.

The Academy of Arts and Minds Charter High School, now known as B.A.A.M., presented a corrective action plan, which in the opinion of the Chief Auditor and his staff members, is realistic. That plan, forwarded to the Florida Department of Education in accordance with state statutes, is pending approval.

The Committee agreed to transmit all 27 audited financial statements to the School Board. The audited financial statements may be viewed at http://mca.dadeschools.net/CBO_Charter_1516.asp

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 for 27 of 125 Charter Schools Operating During the Fiscal Year Ended June 30, 2015.

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