

Maria T. Gonzalez, Chief Auditor  
Office of Management and Compliance Audits

**SUBJECT: REVIEW OF AUDITED FINANCIAL STATEMENTS FOR 25 OF 130  
CHARTER SCHOOLS OPERATING DURING THE FISCAL YEAR  
ENDED JUNE 30, 2018**

**COMMITTEE: FISCAL ACCOUNTABILITY AND GOVERNMENT RELATIONS**

**LINK TO STRATEGIC  
BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

At its March 12, 2019, meeting the School Board Audit and Budget Advisory Committee (the Committee or ABAC) was presented with the June 30, 2018, certified financial statements of the following 25 charter schools and recommended their transmission to the School Board.

### **Twenty-five Charter Schools**

- *Coral Reef Montessori Academy Charter School*
- *Integrated Science and Asian Culture Academy, Inc.*
- *Latin Builders Association Construction and Business Management Academy*
- Alpha Charter of Excellence, Inc.
- Archimedean Academy
- Archimedean Middle Conservatory
- Archimedean Upper Conservatory
- Ben Gamla Charter School Kendall
- Florida High School For Accelerated Learning - Greater Miami Campus, Inc. d/b/a North Gardens High School
- Florida High School For Accelerated Learning - Miami Campus, Inc. d/b/a Green Springs High School
- Florida High School For Accelerated Learning - Miami-Dade Campus, Inc. d/b/a North Park High School
- International Studies Charter High School
- International Studies Charter Middle School
- International Studies Virtual 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 Children's Museum Charter School, Inc.
- Miami Community Charter High School, Inc.
- Miami Community Charter Middle School, Inc.
- Miami Community Charter School, Inc.
- Theodore R. and Thelma A. Gibson Charter School
- Youth Co-Op Charter School
- Youth Co-Op Preparatory High School

Twenty of the above charter schools were free of significant fiscal issues, two were reported with a material weakness finding due to conditions discussed in the prior audit that were corrected in this year's financials, and three disclosed a fiscal concern.

The two Youth Co-Op schools had an issue last year (FY 2016-17) that was identified by the Office of Management and Compliance Audits' Charter School Division and discussed at the January 2018 ABAC meeting. The issue involved certain expenses related to the schools' buildings which had not been properly allocated to each school's financial statements. The statements for 2017 were properly corrected and the 2018 financials were properly issued. This is reflected in the schools' 2018 opinion letters as well as note 9 of the FY 2017-18 financials. However, according to Statement on Auditing Standards 112, the restatement of a previously issued financial statement reflecting correction of a material misstatement should be considered a material weakness. The financial statements for the year ended June 30, 2017, were restated (prior period adjustments) and that is the reason for the material weakness finding in FY 2018.

Regarding the three charter schools with fiscal concerns, at *Coral Reef Montessori Academy Charter School*, although the school is not meeting a condition of financial emergency or a deteriorating financial condition, the total fund balance declined from \$(26,454) in the previous school year to \$(276,275) as of June 30, 2018. Also, its total net position declined from \$118,604 in the previous school year to \$(24,308) as of June 30, 2018. At *Integrated Science and Asian Culture Academy, Inc. (ISAACA)*, the external auditor's management letter contained two findings. One related to the external auditor's inability to validate a deposit because a Recap Collection Form was missing; and the other related to a duplicated deposit that was never voided, apparently because the treasurer did not review bank reconciling items and bank accounts in detail. At *Latin Builders Association Construction and Business Management Academy (LBA)*, although not meeting a condition of a financial emergency or a deteriorating financial condition, the School reflected a deficit unrestricted net position of \$(114,138) at year-end. In response to a finding from the previous year, the school provided evidence that the School's Governing Board received ethics training.

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. The audited financial statements may be viewed at [http://mca.dadeschools.net/Reports/Charter\\_CBO\\_Reports/CCBO\\_FYE18.html](http://mca.dadeschools.net/Reports/Charter_CBO_Reports/CCBO_FYE18.html)

**RECOMMENDED:** That the School Board of Miami-Dade County, Florida, receive and file the Review of Audited Financial Statements for 25 of 130 Charter Schools Operating During the Fiscal Year Ended June 30, 2018.

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