

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

**SUBJECT: AUDITED FINANCIAL STATEMENTS OF MAGNET
EDUCATIONAL CHOICE ASSOCIATION (MECA), INC., FOR
FISCAL YEAR ENDED JUNE 30, 2020 AND INDEPENDENT
AUDITORS REPORT**

COMMITTEE: FISCAL ACCOUNTABILITY AND GOVERNMENT RELATIONS

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

The financial statements of Magnet Educational Choice Association (MECA) were audited by the external audit firm of HLB Gravier, LLP, Certified Public Accountants. MECA is a private not-for-profit Association organized and operated as a Miami-Dade County School Board's direct-support organization. The financial statement audit is required by State Board of Education Rule 6A-1.0013, Section 1001.453, Florida Statutes, and School Board Policy 9215.

In the audit report, the external auditors concluded that the financial statements present fairly, in all materials respects, the financial position of MECA at June 30, 2020. At June 30, 2020, MECA reported total revenues of \$430,677. This total represents a decrease of approximately \$103,700 when compared to total revenues reported at the end of the 2018-2019 fiscal year, or \$534,408. Also, at June 30, 2020, MECA reported total net assets of \$345,275. This total represents a decrease of approximately \$13,200 when compared to total net assets reported at the end of the 2018-2019 year, or \$332,041.

According to the *Management Letter and Schedule of Audit Findings and Responses*, during this audit, the external auditors cited two findings and corresponding recommendations. One of these findings resulted from what they considered a material weakness in internal controls. Specifically, the auditors are recommending the implementation of an accrual basis of accounting to prevent year-end analysis and adjustments to the financials and curtail possible errors and/or omissions. In the second finding related to the bank reconciliation, they are recommending the timely disposition of stale outstanding checks.

Regarding the prior audit finding, this year, the external auditors continue to recommend that management reassess the administrative fees charged for services since it was noted that in 2020, the income generated from administrative fees, or \$21,248 was insufficient to cover the general and administrative expenses, or \$29,109. MECA Management concurred with all recommendations.

The School Board Audit and Budget Advisory Committee will review this report at its March 9, 2021, meeting and recommend its transmission to the School Board.

Copies of this report were distributed and 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 report may be accessed at:

http://mca.dadeschools.net/AuditCommittee/AC_March_9_2021/Item3.pdf

RECOMMENDED: That The School Board of Miami-Dade County, Florida, receive and file the Audited Financial Statements of Magnet Educational Choice Association (MECA), Inc., for Fiscal Year Ended June 30, 2020 and Independent Auditors Report.

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