

**MINUTES OF THE SCHOOL BOARD AUDIT AND BUDGET ADVISORY COMMITTEE  
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS  
December 16, 2014**

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The School Board Audit and Budget Advisory Committee (ABAC) met on Tuesday, December 16, 2014, in the School Board Administration Building, Conference Room 916, at 1450 N.E. Second Avenue, Miami, Florida.

**Members Present:**

**Voting:**

Mr. Roland Sanchez-Medina, Jr., Esq., Chair  
Dr. Lawrence S. Feldman, School Board Vice Chair  
Mr. Nestor Caballero, CPA MST CGAP  
Mr. David Schwartz, CPA  
Ms. Marian L. Hasty, Esq.  
Ms. Susan Marie Kairalla  
Mr. Christopher Norwood, J.D.  
Mr. Jose I. Rasco, CPA  
Mr. Isaac Salver, CPA  
Ms. Laurie Wynn, CIMA®

**Members Absent:**

Mr. Rayfield McGhee, Jr., Esq., Vice Chair  
Mr. Joseph Gebara, PTSA/PTA President

**Non-Voting:**

Mrs. Judith M. Marte, Chief Financial Officer

**Call to Order**

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The ABAC's Chair Mr. Roland Sanchez-Medina called the meeting to order at 12:32 p.m. and warmly welcomed everyone in attendance.

**1. Welcome, Introductions and Moment of Reflection**

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The Chair requested all in attendance to introduce themselves, which they did. The following persons were present:

Ms. Perla Tabares Hantman, School Board Chair	Mr. Julio Miranda, Asst. Chief, Investigations
Dr. Marta Pérez, School Board Member	Mr. Trevor L. Williams, Asst. Chief, District Audits
Ms. Raquel A. Regalado, School Board Member	Mr. Jon Goodman, Executive Audit Director
Mr. Alberto M. Carvalho, Superintendent of Schools	Mr. Scott B. Clark, Risk Benefits Officer
Mr. Jose Dotres, Chief of Staff	Mr. Leonardo Fernandez, Treasurer
Mrs. Valtena G. Brown, Dep. Supt./Chief Oper. Officer	Ms. Barbara Mendizábal, Region Superintendent
Mr. José F. Montes de Oca, Chief Auditor	Ms. Vivian M. Santiesteban-Pardo, Region Supt.
Mr. Luis Garcia, Deputy School Board Attorney	Ms. Joyce Castro, Administrative Director
Dr. Pablo G. Ortiz, Associate Superintendent	Ms. Tabitha Fazzino, Administrative Director
Ms. Tiffanie Pauline, Assistant Superintendent	Mr. Terrance Ferguson, Administrative Director
Dr. Ana M. Rasco, Assistant Superintendent	Ms. Cynthia Gracia, Administrative Director
Ms. Mindy McNichols, Asst. School Board Attorney	Mr. Eugene Baker, District Director
Ms. Maria T. Gonzalez, Asst. Chief, School Audits	Ms. Tamara Wain, Director

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Mr. Ivo Gomez, Claims Compliance Officer  
Mr. Luis Baluja, Supervisor  
Mr. Edward A. McAuliff, Chief Info. Security Officer  
Mr. Evelio Rodriguez, Major  
Ms. Jana Wright, Staff Auditor II  
Ms. Jeny Priante, Staff Auditor II  
Ms. Raquel Alexander, Administrative Assistant  
Ms. Ana Lara, Administrative Assistant  
Ms. Kenesha Paul, Administrative Assistant  
Ms. Maria Teresa Rojas, Administrative Assistant  
Ms. Karen Graham-Sewing, Administrative Sec.  
Ms. Elsa Berrios-Montijo, Staff Assistant  
Ms. Lucila I. Gonzalez, Administrative Secretary  
Ms. Lawandra Houston, Administrative Secretary  
Ms. Christa Dotson Dean, Alternate ABAC Member  
Mr. Stephen M. Korn, CPA, Alternate ABAC Member  
Ms. Mary T. Cagle, Inspector General

Mr. Felix Jimenez, Assistant Inspector General  
Ms. Patra Liu, Assistant Inspector General  
Mr. Thomas Knigge, OIG, Supervisor Special Agent  
Ms. Christina Perdomo-Ferandez, Academica  
Mr. Jorge Perez-Alvarez, Friends of WLRN, CFO  
Mr. John Labonia, WLRN General Manager  
Ms. Jodi Grossman, WLRN Independent Accountant  
Mr. Carlos M. Trueba, CPA, Rodriguez, Trueba & Co.  
Mr. Gerry Donates, Auditor, Rodriguez, Trueba & Co.  
Ms. Cynthia Borders-Byrd, C. Borders-Byrd, CPA  
Mr. Donovan Maginley, Partner, McGladrey LLP  
Mr. Anil Harris, Manager, McGladrey LLP  
Ms. Cherrie Kassim, ALGA Peer Review Team  
Mr. Lyndon Remias, ALGA Peer Review Team  
Ms. Jenelle Chow, ALGA Peer Review Team  
Ms. Cristina Veiga, Miami Herald, Reporter

The Committee members warmly welcomed the newest members of the ABAC, Ms. Laurie Wynn, Senior Partner of Wealth Management Team for Merrill Lynch and Mr. Nestor Caballero, CPA, MST, CGAP, partner with Alberni, Caballero & Fierman, LLP. The Chief Auditor explained the process regarding how to deal with any conflict of interest pertaining to any item in the agenda to the newest ABAC members.

The Chair invited everyone in attendance for a moment of silence to keep ABAC Member Mr. McGhee and his family in our prayers for the recent passing of his mother.

The Chief Auditor introduced the newest members of the Office of Management and Compliance Audits (OMCA) staff, Ms. Jana Wright and Ms. Jeny Priante who were warmly welcomed by everyone.

Ms. Hantman reappointed Dr. Feldman as the School Board representative to the ABAC.

## **2. Approval of the Minutes of the School Board Audit and Budget Advisory Committee Meeting of September 16, 2014**

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The Chair drew the members' attention to the minutes for the ABAC meeting of September 16, 2014, and asked whether any members had any suggested revisions or questions related to the contents of the proposed minutes.

Dr. Feldman moved and Ms. Kairalla seconded the approval of the minutes, as presented, to serve as the memorialization of the September 16, 2014, ABAC meeting. The motion carried unanimously.

## **DISTRICT REPORTS:**

### **3. Presentation of the Comprehensive Annual Financial Report and Required Communications (Representation/Management Letter)**

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Mr. Montes de Oca introduced the above-referenced audit report and yielded the floor to Mr. Donovan Maginley, Partner, McGladrey LLP, for the presentation. Mr. Maginley emphasized that management fully cooperated with the external auditors during the performance of the audit and there were no disagreements. He stated that they issued an unmodified opinion of the financial statements, commonly referred to as a clean opinion, which is the highest level of assurance in a financial audit, and concluded that the financial statements presented fairly in all material respects the financial position of the School Board for the fiscal year ended June 30, 2014. He pointed out the key aspects of management estimates that were identified as part of their audit plan and under a separate cover, the representation letter and the management letter. He noted that they identified a few matters that do not meet the definition of significant deficiency or material weakness and that the report acknowledges proactive steps taken by management to address this issue. Mr. Maginley gave accolades to management for their competency in preparing the Comprehensive Annual Financial Report (CAFR).

The Superintendent commented that he is very proud of the work performed by the financial staff and the results of the CAFR. He noted that the District will seize the opportunity for improvement, but noted that considering the size of the District and its budget, he was pleased with the results of the audit.

There were no questions. A motion was made by Mr. Salver, seconded by Dr. Feldman, which carried unanimously, to recommend that the **Presentation of the Comprehensive Annual Financial Report and Required Communications (Representation/Management Letter)** be received and filed by the School Board.

### **4. Monthly Financial Report Unaudited – for the Period Ending October 2014**

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Mrs. Judith M. Marte, Chief Financial Officer, introduced the above-referenced report and noted that there are no significant material differences or changes from last month. She welcomed any questions.

There were no further discussions. This report was presented for informational purposes since it was already submitted to the School Board, due to deadline requirements; therefore, no transmittal was required.

## **INTERNAL AUDITS:**

### **5. Transfers of \$7.4 Million by Four Mater Academy Schools on June 30, 2013 and Our Requests for Financial Information From Mater Academy, Inc.**

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The Chief Auditor introduced the above-referenced report and noted that this item was provided as the result of an on-going concern regarding transfers of \$7.4 million by four Mater Academy schools, an issue that has been lingering since the May 13, 2014, ABAC meeting. According to Mr. Montes de Oca, Mater Academy, Inc., has provided his office with an external independent special audit report confirming how the \$7.4 million was spent. However, he still contends that his office, as representative of the School Board, should have access to certified financial statements and financial records of Mater Academy Inc. This contention is supported by an opinion rendered by the School Board Attorney. The Chief Auditor also expressed concern about the substantial amount of funds being transferred from the schools back to the controlling company without any apparent benefit to the schools. Representatives of Mater Academy present at the meeting did not offer any explanation.

Mr. Rasco asked why there is no action to be taken on this item. The Chief Auditor responded that this item was transmitted to the School Board in May 2014 and he is just providing an update.

Mr. Salver asked whether as a result of this experience, any procedures have been modified or any additional restrictions have been incorporated to the Charter Schools' contracts. The Chair responded that part of this issue is a lack of clarity on the law.

Ms. Regalado concurred with the Chair and announced that she will make it a priority on this legislative session to get clarification on this law. She stated that the Chief Auditor did everything in his power to ensure compliance and he is still not satisfied with the outcome of the responses, but they are within the statutory requirements.

There were no other questions. This report was presented for informational purposes only; therefore, no transmittal to School Board by the ABAC was required.

### **6. Internal Audit Report – Selected Schools**

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The Chief Auditor introduced the above-referenced report and yielded the floor to Ms. Maria T. Gonzalez, Assistant Chief Auditor, for the presentation. Ms. Gonzalez stated that the report contains the audit results of 53 schools; eleven of which had findings. The findings are related to internal funds, property, FTE and disposal of property. One of the findings, included a misappropriation in which the matter was referred to the State Attorney's Office and a case is being presented.

Dr. Feldman inquired about training for new bookkeepers/treasurers and those at schools that receive audit exceptions. Ms. Marte responded that all new bookkeepers/treasurers receive a three-day training from the Office of the Comptroller and along with those who receive audit exceptions, are assigned a mentor to enhance their skills.

Ms. Kairalla noted that a treasurer's job is voluminous and the salary is low, which makes it difficult to attract and maintain highly skilled personnel.

Dr. Feldman expressed optimism about all schools next year going to our online system which would allow students to make payments online for pictures, yearbooks, etc., and safeguard them from having to carry cash, as well as alleviate the treasurer's responsibility of handling cash. Ms. Marte informed everyone present that the administration (approved by the Board) is in the process of implementing an online software system called the ACELO that will allow students and parents to make payments online for school lunches, pictures, yearbooks, etc. She explained that the adult education program will be the first to start using this system, in January 2015, and implementation for all the remaining schools is scheduled for the summer of 2015.

There were no further questions. A motion was made by Ms. Kairalla, seconded by Mr. Rasco, which carried unanimously, to recommend that the **Internal Audit Report – Selected Schools** be received and filed by the School Board.

## **7. Internal Audit Report – Audit of Year-End Inventories as of June 30, 2014**

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Mr. Trevor L. Williams, Assistant Chief Auditor, introduced the above-referenced report, and indicated that there were no findings and that the operation manages the inventory in a satisfactory manner. He welcomed questions.

Ms. Kairalla gave accolades to the Department of Food and Nutrition for a great job.

There were no questions. A motion was made by Ms. Kairalla, seconded by Dr. Feldman, which carried unanimously, to recommend that the **Internal Audit Report – Audit of Year-End Inventories as of June 30, 2014** be received and filed by the School Board.

## **EXTERNAL AUDITS**

## **8. Presentation of 20 of 126 Charter Schools' Audited Financial Statements FYE June 30, 2014**

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The Chief Auditor stated that there were no issues noted during the review of the financial statements and welcomed any questions.

Mr. Caballero recused himself from participating in discussion or voting pertaining to City of Hialeah Education Academy, Inc., due to potential conflict of interest (see attached form).

Mr. Luis Garcia, Deputy School Board Attorney, advised the Committee to make a motion to separate the school which Mr. Caballero identified from the rest of the schools for discussion and voting, which was done.

Mr. Norwood had several specific questions pertaining to various charter schools and the Chief Auditor requested to have his office research Mr. Norwood's issues and provide the information in writing to Mr. Norwood and the rest of the Committee members. The Committee members agreed (a copy of this transmittal is incorporated into the minutes).

Ms. Kairalla asked Mr. Garcia to elaborate on the conflict of interest procedures for new ABAC members. Mr. Garcia explained that if there is a conflict of interest and the ABAC member makes a public declaration of his/her conflict of interest, he/she has to complete a disclosure form within fifteen days of the meeting. The Chief Auditor stated that the form is readily available for any member who needs to complete the form. Lastly, Mr. Garcia advised that the record should also reflect the ABAC member abstaining from voting due to the conflict of interest.

There were no further discussions. Due to Mr. Caballero's recusal pertaining to the City of Hialeah Educational Academy, Inc., a motion was made by Mr. Salver, seconded by Mr. Rasco, which carried unanimously, to recommend that the **Presentation of 19 of 126 Charter Schools Audited Financial Statements FYE June 30, 2014** be received and filed by the School Board; and another motion was made voting, by Mr. Salver, seconded by Ms. Kairalla to recommend that the **City of Hialeah Educational Academy, Inc. Audited Financial Statements FYE June 30, 2014** be received and filed by the School Board.

#### **9. Presentation of the Annual Financial Statements, Educational Facilities Impact Fee Fund for FYE June 30, 2014**

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The Chief Auditor introduced the above-referenced report and yielded the floor to Ms. Cynthia Borders-Byrd, LLP, Managing Member, for the presentation. Ms. Borders-Byrd gave an overview of the report and stated that there are no audit adjustments and no disagreement with management on any matters related to the audits. She welcomed any questions.

Dr. Feldman gave accolades to the Superintendent and his staff for a great job. Mr. Rasco added that the report is not only a clean audit but to produce a report of this entity's size in a timely manner is to be commended especially for the Audit and Finance Departments.

There were no further discussions. A motion was made by Dr. Feldman, seconded by Mr. Salver, which carried unanimously, to recommend that the **Presentation of the Annual Financial Statements, Educational Facilities Impact Fee Fund for FYE June 30, 2014** be received and filed by the School Board.

## **10. Presentation of the Audit of WLRN Television and Radio Stations for FYE June 30, 2014**

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The Chief Auditor introduced the above-referenced report and yielded the floor to the auditor, Mr. Carlos Trueba, Partner, Rodriguez, Trueba & Co. P.A., to present the report. Mr. Trueba stated that this report contains an unmodified opinion, no findings and that there were no disagreements with management, and thanked OMCA for assisting them with the audit. He welcomed any questions.

Ms. Regalado reported that she attended a short meeting of Friends last week and most of the conversations had to do with the opening of different positions such as Executive Director, the Producer in charge of the News and a position managing investment portfolios. She stated that at the meeting this audit was positively mentioned as was their desire to comply with M-DCPS. She added that the meeting was very productive and they were very pleased with M-DCPS' participation. Ms. Regalado noted that at the next Friends meeting, they will be discussing the financials and she will be happy to bring a report back to the Committee, as soon as it happens.

There were no further discussions. A motion was made by Mr. Rasco, seconded by Ms. Hasty, which carried unanimously, to recommend that the **Presentation of the Audit of WLRN Television and Radio Stations for FYE June 30, 2014** be received and filed by the School Board.

### **OTHER REPORTS:**

## **11. Office of Management and Compliance Audits' Activity Report**

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The Chief Auditor presented the Office of Management and Compliance Audits' Activity Report, and noted that it enumerates what has transpired since the last ABAC meeting. Mr. Montes de Oca pointed out that this report contains an update pertaining to the audit of the Value Adjustment Board (VAB) in which his office has been heavily involved. He is pleased to announce that his office is on track with the VAB audit and that the report is scheduled to be presented to this Committee at its March 2015 meeting.

There were no questions. This report was presented for informational purposes only; therefore, no transmittal to School Board by the ABAC was required.

## **12. OFFICE OF THE INSPECTOR GENERAL**

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### **Annual Report 2013-2014**

The Chief Auditor stated that he is required to present the Committee the published reports from the Office of the Inspector General (OIG) including the annual reports. He observed that his office has a very collegial rapport with the OIG. He then yielded the floor to Ms. Mary T. Cagle, Inspector General, for the presentation of the reports. Ms. Cagle gave an overview of the Annual Report and stated that the OIG's goal is to provide value through their investigation and on-going great communication with the School District. She mentioned that when she was named Inspector General, there were several part-time investigators assigned

to investigate School District issues. In order to provide better service and effectiveness to the School District, she made a change to incorporate full-time positions instead of part-time positions. Ms. Cagle stated that the OIG budget is \$789,000, and pays the salaries of five District full-time positions and related expenses. She mentioned that her staff is working closely with the Chief Auditor's staff on the VAB audit. She then yielded the floor to Ms. Patra Liu, Assistant Inspector General, for the presentation on the reports from her office.

**Final Report of Investigation On-going Misclassification by M-DCPS of EPIC Construction's Licensure Status for Contractor Prequalification and Contract Award Eligibility; SB1314-1001**

Ms. Liu presented the above-referenced report and stated that this investigation report includes a review of the contractor pre-qualification process handled by the Office of Economic Opportunity and resulted from a complaint about a firm that was contracted by the District to perform work for which it did not hold the requisite minimum qualifications. She stated that they were able to corroborate the allegations and recommended that the Offices of Facilities and Economic Opportunity develop a check-list and proper sign-off of the bidding process. The Office of Economic Opportunity provided a check-list status report which satisfies the OIG's recommendations to improve the bidding process.

Dr. Pérez asked if the complaint was a whistleblower that initiated an investigation. Ms. Liu responded that the complaint was received via the OIG's website and the complainant wished to remain anonymous.

Dr. Feldman asked if the subject employee remained an employee of the District. The Superintendent responded that the individual is no longer an employee of the District.

The Committee gave accolades to the Inspector General and her staff for a great job on the report.

**Final Report – Outside Employment of Employee Nestor Yero While on Medical Leave of Absence Without Pay SB1314-1009**

In response to a question by Dr. Feldman regarding receiving restitution from Mr. Yero, the Superintendent responded that in cases like this, the District pursues restitution with penalty by working with the School Board Attorney's office.

These reports were presented for informational purposes only; therefore, no transmittal to School Board by the ABAC was required.

**New Business:**

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The Superintendent spoke at length about his concerns regarding the multimillion dollar shortfalls the District faces every year due to unrealized collection of real estate taxes and appeal process delays and the impending financial catastrophe that faces the District because of this issue.



Dr. Feldman asked the Superintendent if there is anything that the Committee can do to support his efforts. The Superintendent responded that he strongly urges that the Committee support his recommendation and that the Chief Auditor, and in partnership with the OIG, conduct the audit of the VAB; that as a client of the Tax Collector, the District in partnership with other significantly impacted taxing entities join hands and audit the Tax Collector; and, take a position via motion in support of the conclusion that the Board will reach regarding legal proceedings to address the VAB issue.

Ms. Regalado noted that at the School Board meeting of December 2014, she had an agenda item requesting a legal opinion and an update on the VAB audit. She added that the Board will be making a decision in January 2015 whether to join United Teachers of Dade (UTD) lawsuit. She agreed with the Superintendent's recommendations, but is concerned about the Chief Auditor not having subpoena power to properly audit both the VAB and Tax Collector. Ms. Regalado pointed out that the School Board has done everything in its power to force action on this issue, but feels the same cannot be said for the County, and welcomes the support of ABAC to press this issue.

Regarding the Superintendent's recommendations, Dr. Feldman made a motion to:

- Reaffirm the ABAC's efforts to audit the VAB.
- Initiate an audit of the Tax Collector's office in partnership with other entities including, but not limited to, the OIG which has subpoena powers.
- Based on the disposition of the School Board Attorney's findings regarding recommended legal action to be taken by the School Board at its next meeting, that the ABAC makes a resolution to support the legal action.

Mr. Salver recommended including Dr. Feldman's recommendations at the next ABAC meeting agenda in order to note them for the record.

A motion was made by Dr. Feldman, seconded by Ms. Kairalla, which carried unanimously, to accept Dr. Feldman's recommendations and include them on the next ABAC meeting agenda.

### **Old Business:**

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None.

### **13. Friends of WLRN 990 Forms for 2010-11, 2011-12, and 2012-13**

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The Chief Auditor introduced the Friends of WLRN 990 forms and stated that the Committee has concerns with related issues. He mentioned that representatives from Friends were present to answer any questions.

The Superintendent spoke about the contentious issues that have been discussed at several ABAC meetings with the Friends of WLRN and announced that he had met with members of its Board and most of these issues, such as high salaries paid to its employees and his rights to appoint such employees have been resolved and he is in the process of making a recommendation to the Board of Friends for the appointment of a new Executive Director.

Ms. Hantman reiterated her frustration with the lack of information provided by Friends regarding her recommendations, as unanimously approved by the ABAC, to change the by-laws. The School Board Chair indicated that to this day she does not know the status of her recommendations because she continues to receive conflicting information.

The Chair suggested that representatives from Friends meet with Ms. Hantman to address her concerns.

### **Adjournment**

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There being no further business to come before the Committee and upon motion duly made and seconded, the meeting was adjourned by Mr. Roland Sanchez-Medina at 2:00 p.m.

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# FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME <i>Caballero Nestor</i>		NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE <i>School Board Auditor Budget Advisory Comt</i>	
MAILING ADDRESS <i>4649 Ponce de Leon Blvd #404</i>		THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF: <input type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input checked="" type="checkbox"/> OTHER LOCAL AGENCY	
CITY <i>Coral Gables FL</i>	COUNTY <i>Dade</i>	NAME OF POLITICAL SUBDIVISION: <i>MDCPSB</i>	
DATE ON WHICH VOTE OCCURRED <i>12/16/14</i>		MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTIVE	

## WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

## INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

### ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

### APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

## APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

## DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, Nestor Caballero, hereby disclose that on December 16, 20 14:

(a) A measure came or will come before my agency which (check one)



inured to my special private gain or loss;

\_\_\_\_\_ inured to the special gain or loss of my business associate, \_\_\_\_\_;

\_\_\_\_\_ inured to the special gain or loss of my relative, \_\_\_\_\_;

\_\_\_\_\_ inured to the special gain or loss of \_\_\_\_\_, by whom I am retained; or

\_\_\_\_\_ inured to the special gain or loss of \_\_\_\_\_, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

*My firm Alberni Caballero + Fierman LLP performs the external audit to the City of Hialeah Education Academy. I have no personal interest in this entity.*

Date Filed

12/17/14

Signature



NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.





# Miami-Dade County Public Schools

*giving our students the world*

**Superintendent of Schools**  
Alberto M. Carvalho

**Chief Auditor**  
José F. Montes de Oca, CPA

**Miami-Dade County School Board**

Perla Tabares Hantman, Chair  
Dr. Lawrence S. Feldman, Vice Chair  
Dr. Dorothy Bendross-Mindingall  
Susie V. Castillo  
Carlos L. Curbelo  
Dr. Wilbert "Tee" Holloway  
Dr. Martin Karp  
Dr. Marta Pérez  
Raquel A. Regalado

January 7, 2015

The Honorable Chair and Members of The School Board of  
Miami-Dade County, Florida  
Members of the School Board Audit and Budget Advisory Committee  
Mr. Alberto M. Carvalho, Superintendent of Schools

**SUBJECT: RESPONSES TO AUDIT AND BUDGET ADVISORY COMMITTEE  
(ABAC) MEMBER MR. CHRISTOPHER NORWOOD'S INQUIRIES  
REGARDING FOUR CHARTER SCHOOLS' AUDITED FINANCIAL  
STATEMENTS PRESENTED AT THE DECEMBER 16, 2014, ABAC  
MEETING**

Ladies and Gentlemen:

Please find below questions submitted in writing to the Office of Management and Compliance Audits by Mr. Norwood and our corresponding answers. The questions pertain to audited financial statements that were presented at the December 16, 2014, ABAC meeting and for which our review yielded no significant fiscal concerns.

1. LBA Construction and Management Academy - **Question:** Related party transactions mentions \$29,000 contributions. Why are contributions listed in this section? **Answer:** We contacted the School's external audit firm, Sotolongo and Associates, P.A. They indicated that the \$29,000 contributions comprised several gifts from companies owned by individuals on the School's Governing Board. To be safe, it was disclosed as a related party transaction in the notes to the financial statements.
2. Doctors Charter School of Miami Shores - **Question:** The School leases property from the Village of Miami Shores. Miami Shores leases from Barry University. Barry and Miami Shores appoint members to the Governing Board. Has this arrangement been vetted? **Answer:** Yes. We have reviewed this arrangement and do not find it problematic.

RESPONSES TO ABAC MEMBER MR. CHRISTOPHER NORWOOD'S INQUIRIES REGARDING  
FOUR CHARTER SCHOOLS' AUDITED FINANCIAL STATEMENTS PRESENTED AT THE  
DECEMBER 16, 2014 ABAC MEETING

January 7, 2015

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3. City of Hialeah Education Academy – **Question:** Related Party Transactions, \$284,000 in rent and \$96,000 in usage fees (\$500 per student). City of Hialeah Commission is the Governing Board and owner of the Facility. Has this relationship been vetted? **Answer:** Yes. We have reviewed this arrangement and do not find it problematic.
4. Academy of International Education Charter School – **Question:** How does the District Distinguish the 5% administrative fee (statutory) for contract management services and its role of management company? **Answer:** According to Ms. Tiffanie Pauline, Assistant Superintendent, Charter School Support, "As indicated, the administrative fee and related services are defined in the statutes. District management fees and services provided through the District Management Department are described in the Management Agreement between the school and the District. This is no different than any other relationship where a charter school contracts with an education services provider to provide services."

Please note that due to the large number of charter schools sponsored by the District (126) during fiscal year 2013-2014 my staff and I may not have details readily available for specific questions at ABAC meetings, especially for schools being presented which we determined not to have significant fiscal concerns. Should you have such specific questions about schools in the future, we will welcome the opportunity to know the concern in advance of the Committee meeting in order for us to research the issue and provide an accurate and complete answer, and perhaps invite the subject schools' management and external auditors to the meeting.

Sincerely,



José F. Montes de Oca, CPA  
Chief Auditor

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cc: Mr. Walter J. Harvey  
Mr. Jose L. Dotres  
Mrs. Valtena G. Brown  
Mrs. Judith M. Marte  
Ms. Iraida R. Mendez-Cartaya  
Ms. Tiffanie A. Pauline  
Mr. Julio C. Miranda  
Mr. Jon Goodman