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— & —
C O M P A N Y

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MANAGEMENT LETTER

The Board of Directors of
Oxford Academy of Miami, Inc.
Miami, Florida

We have audited the financial statements of Oxford Academy of Miami, Inc. as of and for the year ended June 30, 2012 and have issued our report thereon dated August 24, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and *Non-Profit Organizations*. We have issued our Independent Auditors Report on Internal Control over Financial Reporting and Compliance and Other matters and Independent Auditors Report on Compliance with requirements Applicable to each Major Federal Program and on Internal Control over Compliance. Disclosures in those reports, which are dated August 24, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.850, Rules of the Auditor General, which governs the conduct of charter school and similar entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report.
 - In connection with our preceding audit, we noted that the Academy failed to properly accrue payroll and related payroll taxes, as of June 30, 2011. It should be noted that the majority of the Academy's employees work a 10-month schedule but elect to be compensated on a 12-month schedule, which extends beyond the Academy's fiscal year end. In connection with our current year audit, as of June 30, 2012, we noted that the Academy prepared a year-end schedule and accrued for payroll and related taxes.
- Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have such recommendations in the current year.
- Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

PARTNERS:

JORGE N. DE LA TORRE, CPA • LAWRENCE KABAT, CPA • ERIC J. LEVENTHAL, CPA
MICHAEL SCHERTZER, CPA • JEFFREY TARABOULOS, CPA, CFE • ROBERT TARABOULOS, CPA

- Section 10.854(1)(e)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.854(1)(e)6., Rules of the Auditor General, requires the name or official title of the school. The official title of the school is Oxford Academy of Miami, Inc.
- Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the school has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Academy did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to sections 10.854(1)(3)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Academy's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.
 - We have applied our procedures and have noted deteriorating financial conditions. It should be noted that the Academy has reported an unassigned fund balance deficit of \$84,800 primarily due to a decrease in fund balance and net assets. In response, the Academy intends to remedy this condition as noted in the two-year corrective action plan that was remitted to the appropriate governing bodies in the prior year.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor general, and is not intended to be and should not be used by anyone other than these specific parties.

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We appreciate the outstanding cooperation from your staff that our personnel received during the audit of the Academy's financial statements.

Very truly yours,

KABAT, SCHERTZER, DE LA TORRE, TARABOULOS & CO.

Kabat, Schertzer, De La Torre, Taraboulos & Co

August 24, 2012