



# Miami-Dade County Public Schools

*giving our students the world*

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

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Raquel A. Regalado

October 1, 2012

Mr. Ken Haiko, Chairperson  
Renaissance Charter School, Inc.  
[kenh618@aol.com](mailto:kenh618@aol.com)

Ms. Hillary Daigle, Controller  
Charter Schools USA  
[hdaigle@charterschoolsusa.com](mailto:hdaigle@charterschoolsusa.com)

**DELIVERY VIA ELECTRONIC MAIL**

Renaissance Elementary Charter School - Ms. Ana Cordal [acordal@dadeschools.net](mailto:acordal@dadeschools.net)  
Renaissance Middle Charter School  
Keys Gate Charter High School – Mr. David McKnight [942549@dadeschools.net](mailto:942549@dadeschools.net)

**RE: QUESTIONS AND CONCERNS REGARDING THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012**

Dear Mr. Haiko, Ms. Daigle, Ms. Cordal and Mr. McKnight:

As part of the sponsoring School Board's oversight responsibilities pursuant to section 1002.33, Florida Statutes, we have reviewed the June 30, 2012 audited financial statements for the three above indicated schools and have the following questions and concerns:

Renaissance Elementary Charter School

- What are the nature, composition and terms of the amount due from the management company of \$113,611?
- In which line item expense(s)/expenditure(s) is the \$1,121,967 (note 10) in compensation to CSUSA included on the School's applicable financial statements? Please provide in detail how that amount was calculated and determined.
- Please provide the ownership of Red Apple Development, LLC. Is there direct or indirect common ownership/governance between Red Apple Development, LLC and Charter Schools USA, Inc. and/or Renaissance Charter School, Inc.?
- What is "incremental rent" (note 10) and its rationale. Also, please provide the schedule of incremental rent due from October 2012 through September 2040.

Renaissance Middle Charter School

- What are the nature, composition and terms of the amount due from the management company of \$140,189?
- The School's Net Assets declined during the year by \$71,645 to a Net Asset deficit of \$(15,491) as of June 30, 2012. Its current ratio also declined to .88. Please provide a current Budgeted Statement of Net Assets for fiscal year 2012-13, and respond to our concern as to the School's financial stability for future operation as a charter school.

Keys Gate Charter High School

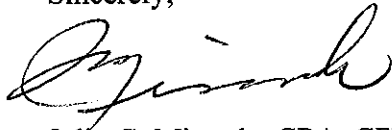
- Please provide a schedule of the management fee from 2012 through 2026 and provide the basis for its determination.
- Please provide the ownership of Red Apple Development, LLC. Is there direct or indirect common ownership/governance between Red Apple Development, LLC and Charter Schools USA, Inc. and/or Renaissance Charter School, Inc.?
- What is "incremental rent" (note 10) and its rationale. Also, please provide the schedule of incremental rent due during the term of the capital lease.
- The School's Net Assets declined during the year by \$1,543,591 to a Net Asset deficit of \$(1,521,983) as of June 30, 2012. Please provide a current Budgeted Statement of Net Assets for fiscal year 2012-13, and respond to our concern as to the School's financial stability for future operation as a charter school.

Also, it appears that the legal entity, Renaissance Charter School, Inc., received in excess of \$500,000 in Federal awards during the subject fiscal year. Was an OMB Circular A-133 audit (Single Audit) conducted? Please provide said audit or other explanation.

Please respond to us in writing by Monday October 22, 2012.

Should you have any questions, you may contact me at 305-995-1314 (JMiranda2@dadeschools.net) or Mr. Jon Goodman at 305-995-1323 (jgoodman@dadeschools.net).

Sincerely,



Julio C. Miranda, CPA, CFE  
Assistant Chief Auditor  
Office of Management and Compliance Audits

JCM:lh  
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cc: Mr. Jose F. Montes de Oca    Dr. Helen S. Blanch    Mr. Jon Goodman  
Mr. Walter J. Harvey    Ms. Judith M. Marte    Mr. Kenneth G. Smith, Keefe, McCullough & Co., LLP  
Dr. Daniel Tosado    Ms. Connie Pou  
Dr. Richard H. Hinds    Ms. Melinda L. McNichols  
Ms. Valtena G. Brown    Ms. Tiffanie A. Pauline