



Miami-Dade County Public Schools

giving our students the world

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October 14, 2008

The Honorable Chair and Members of the
Charter on the Beach Middle School, Inc.
1211 Marseille Drive
Miami Beach, FL 33141

VIA FACSIMILE & U.S. MAIL
305-866-2113

RE: AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2008 AND CONDITION OF FINANCIAL EMERGENCY

A review of your audited financial statements for the period ended June 30, 2008, raises concerns that require your immediate attention. Florida Statutes Section 218.503, *Determination of Financial Emergency*, requires you to notify your sponsoring school district if one or more of the conditions as follows have or will occur:

- (a) Failure within the same fiscal year in which due to pay short-term loans or failure to make bond debt service or other long-term debt payments when due, as a result of lack of funds.
- (b) Failure to pay uncontested claims from creditors within 90 days after the claim is presented, as a result of lack of funds.
- (c) Failure to transfer at the appropriate time, due to lack of funds:
 1. Taxes withheld on the income of employees; or
 2. Employer and employee contributions for:
 - a. Federal social security; or
 - b. Any pension, retirement, or benefit plan of an employee.
- (d) Failure for one pay period to pay, due to lack of funds:
 1. Wages and salaries owed to employees; or
 2. Retirement benefits owed to former employees.
- (e) An unreserved or total fund balance or retained earnings deficit, or unrestricted or total net assets deficit for which sufficient resources are not available.

According to your June 30, 2008 audited financial statements, the school has a net assets deficit and an unrestricted net assets deficit of \$106,117 and \$243,552, respectively. There does not appear to be sufficient resources available to cover these deficits. Moreover, your external auditors stated that the school failed to pay uncontested claims from creditors within 90 days after the claim was presented, as a result of lack of funds. These conditions raise questions about the school's solvency and indicate your charter school meets the statutory definition of financial emergency.

Office of Management and Compliance Audits

• School Board Administration Building • 1450 N.E. 2nd Ave. • Suite 415 • Miami, FL 33132
305-995-1436 • 305-995-1331 (FAX) • www.mca.dadeschools.net

October 14, 2008
Page 2 of 2

Additionally, your external auditors cited two internal control material weaknesses relating to electronic data security and the internal control environment. Also, they cited two instances of noncompliance relating to the audit deadline and Form 990.

Section 218.503(4), Florida Statutes provides that the sponsor contact the charter school governing body to determine what actions have or will be taken to resolve the financial emergency. **This letter serves as the official communication requesting that the governing body of Charter on the Beach Middle School, Inc. provide a financial recovery plan within 30 days, (sooner if possible) as required by F.S. 1002.33(9)(g).**

The plan must address the specific audit findings and must also show how the charter school will meet its current and future obligations and be a financially viable entity within the time period specified. The plan must specify dollar amounts of cost cuts, cost avoidance, and/or realistic revenue projections that will allow the charter school to correct the condition(s) that caused the school to be found in a state of financial emergency. The financial recovery plan must include appropriate supporting documentation. Enclosed is the Florida Department of Education Technical Assistance Paper No. 2007-21 which outlines the comprehensive nature of the required Financial Recovery Plan. Failure to timely submit an adequate and credible recovery plan constitutes good cause to terminate the charter.

Please also provide the status and supporting documentation for corrective actions for the material weaknesses and noncompliance cited.

We plan to present your audited financial statements and recovery plan to the School Board's Audit Committee at its next regularly scheduled meeting: Tuesday, December 2, 2008 in room 916 of the School Board Administration Building, 1450 N.E. 2nd Avenue at 12:30 p.m. It is imperative that a representative from your school attend this meeting to respond to questions that the Audit Committee may have.

Should you have any questions, please call Mr. Trevor L. Williams at 305-995-1328 or Mr. Jon Goodman at 305-995-1323. Thank you in advance for your cooperation.

Sincerely,



Dr. Grace L. Ali, Chief Financial Officer
Financial Operations

Sincerely,



Allen M. Vann, Chief Auditor
Management and Compliance Audits

AMV:la
Attachments

cc: Mr. Alberto Carvalho Ms. Melinda McNichols Ms. Margarita Betancourt
Mr. Freddie Woodson Ms. Connie Pou
Ms. Ofelia San Pedro Ms. Judith Marte
Mr. Luis Garcia Ms. Ellen O. Wright
Mr. Michael Bell Ms. Tiffanie Pauline

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.

(A COMPONENT UNIT OF THE DISTRICT SCHOOL
BOARD OF MIAMI DADE COUNTY)

Miami Beach, Florida

Basic Financial Statements and
Independent Auditors' Report

June 30, 2008

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Charter on the Beach Middle School, Inc.

1211 Marseille Drive
Miami Beach, Florida 33141
(786) 258-2505

2007-2008

Administration

Director: Gladys Palacio

Board of Directors

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Vice Chairperson Diego Ramirez

Secretary Martha Fernandez

Board Members Eduardo Gomez
Calixto Navarro

GRAVIER

— & —

Associates

CERTIFIED PUBLIC ACCOUNTANTS

A LIMITED LIABILITY PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Charter on the Beach Middle School, Inc.

Miami Beach, Florida

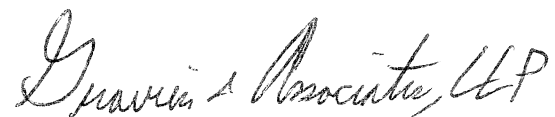
We have audited the accompanying basic financial statements of the governmental activities and each major fund of Charter on the Beach Middle School, Inc. (CBMS) a Component Unit of the District School Board of Miami-Dade County, as of, and from inception through June 30, 2008, which collectively comprise the School's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of CBMS, as of June 30, 2008 and the respective changes in financial position for the period then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2008, on our consideration of CBMS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (MD&A) on pages 4 through 9 and the Schedules of Revenues, Expenditures and Changes in Fund Balance—budget to actual on page 21 and 22 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 26, 2008

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

As management of Charter on the Beach Middle School (CBMS), we offer readers of CBMS's financial statements this narrative overview and analysis of the financial activities of the CBMS from inception through June 30, 2008.

CBMS provided middle school education for 45 students in grades seven through eighth under a charter sponsored by the District School Board of Miami-Dade County, Florida.

Charter on the Beach Middle School is located on a 14,000 sq.ft. property in the North Beach Community of Miami Beach. The school's address is 1211-1219 Marseille Drive, Miami Beach, Florida and is on an inter-coastal canal. The campus consists of two one story buildings built in 1952, which were converted from apartments to a school. The (2) buildings stand side by side and each have (6) rooms. The 1211 side of the property consist of school office and (4) classrooms with one room and (1) classroom with (3) rooms. The 1219 side of the property consist of (1) classroom with (3) rooms, (4) classrooms with one room and (1) cafeteria with (3) available rooms. Each classroom has its own bathroom. The building has (16) total bathrooms of which (2) have been converted for handicap use to comply with ADA Compliance. A security alarm system as well as security cameras have been implemented throughout the building to provide security. The campus has a large area in the back of the property overlooking a canal. The campus is a place where kids come to learn and where a dedicated staff is committed to the education of each and every child in every aspect of their lives. We strive to make sure that each and every child receives the individual attention to grow intellectually, physically and morally.

CBMS is a start-up charter school that opened its doors to serve students in the 2007-08 school year. Due to limited funding, the school encountered much difficulty in completing renovations to its school facility and obtaining the Certificate of Occupancy in time for the school year. Because it was a start-up charter school, financial institutions were not willing to lend funds needed to complete facility renovations and other financings sources, therefore, funding in the form of loans from the school's Director and other related parties became the primary funding sources to complete the facility and help subsidize operating expenses.

In its first year of operations, CBMS served 45 students in grades seven and eighth, which generated less than anticipated FTE funding to meet operational expenses. Also, because students had to be transported to temporary locations prior to the school's facility being finalized for occupancy, high transportation costs were incurred. In addition rent cost also doubled in those months since additional rent had to be paid to provide a location for the children to learn.

Although the school ended the 2007-2008 school year in a deficit position the following factors will increase CBMS revenues and allow the school to meet its financial obligations for the upcoming 2008-2009 school year:

- 95% of our 7th grade students returned for the 2008-2009 school year to the 8th. grade
- An increase in student enrollment by 100%, this will generate twice the FTE.
- Rental and utilities income from River Cities Charter School who is currently renting classroom space for the 2008-2009 school year at CBMS.

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

- Increase in students being transported, the daily cost of busing the students is the same although the reimbursement has doubled. For the 2008-2009 year.
- CBMS has been approved by the National School Lunch Program, over 75% of the students at CBMS qualify for free/reduced lunch, CBMS will receive reimbursement for these student lunches which were not reimbursed the previous year.
- Because CBMS has qualified for the NSLP and over 75% of the children qualify for free/reduced lunch, CBMS now qualifies for Title I Funds; the school can qualify as early as December 2009 for these funds.
- There has not been a dramatic increase in expenses, although our revenue has increased in FTE payments, transportation and food, additional rental income and the Title I funds.
- Additional income generated from afterschool program for utilities, security and maintenance.

Financial Highlights

- CBMS's had total assets of \$159,935 as of June 30, 2008 including capital assets, net of depreciation of \$137,435.
- The school received an implementation grant from the Florida Department of Education in the amount of \$287,659, which assisted the school during the start-up phase of the school, prior to commencement of FTE funding.
- Other financing sources including long-term loans received from individuals also supported the school through the start-up phase and through its first school year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the CBMS's basic financial statements. CBMS's financial statements for the period ended June 30, 2008 are presented under GASB 34. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of CBMS's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of CBMS's assets and liabilities. The difference between the two is reported as *net assets*. Over time the change in net assets serve as an indicator of whether the financial position of CBMS is improving or deteriorating.

The *Statement of Activities* presents information on how CBMS's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10 - 11 of this report.

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. CBMS, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the CBMS are governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

CBMS adopts an annual appropriated budget for its general fund. A budgetary comparison has been provided for the general fund to demonstrate compliance with this budget.

The basic government fund financial statements can be found on pages 12-15 of this report.

Notes to Financial Statements, The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16 - 20 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a charter school's financial position. In the case of the School, liabilities exceeded assets by \$106,117 at the close of the fiscal year. A summary of the School's net assets as of June 30, 2008 follows:

	2008
Deposits	\$ 22,500
Capital Assets	137,435
Total Assets	<u>\$159,935</u>
Current liabilities	\$169,214
Long-term payable to other governments	96,838
Total Liabilities	<u>266,052</u>
Invested in capital assets	137,435
Unrestricted	(243,552)
Total Net Assets	<u>(\$106,117)</u>

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
 (A Component Unit of the School Board of Miami-Dade County)
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2008

A summary and analysis of CBMS's revenues and expenses for the period ended June 30, 2008 follows.

	<u>2008</u>
REVENUES	
Program Revenues	
Operating Grants and Contributions	\$287,659
General Revenues	
Government Grants Not Restricted	308,029
Fundraising and other	<u>16,360</u>
Total Revenues	<u>612,048</u>
EXPENSES	
Instruction	274,715
Instruction and Curriculum	
Development Services	
Instructional Staff Training Services	
General Administration	15,386
School Administration	86,010
Fiscal Services	51,233
Food Services	12,751
Central Services	
Pupil Transportation Services	38,506
Operation of Plant	179,233
Maintenance of Plant	29,517
Community Service	2,901
Interest and finance charges	<u>27,913</u>
Total Expenses	<u>718,165</u>
Increase(decrease) – in net assets	(106,117)
Net Assets at Beginning	-
Net Assets at End	<u>(106,117)</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, CBMS uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of CBMS's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the CBMS's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Accomplishments

Many of our students were low performing students when they came to CBMS and showed gains in their FCAT scores from the previous year. Although as a first year school CBMS was not to receive a grade, CBMS was graded as a D school and here is some of the supporting data in the different areas:

-Reading: Charter on the Beach Middle School 31% of the students scored at Level 3 or higher on the 2008 FCAT. 57% of the students made learning gains. 60% of the lowest 25% increased by 60%.

-Math: 25% of the students scored at Level 3 or above which leaves 75% at Level 1 or Level 2. 60% of the lowest 25% made learning gains.

-Writing: Based on the 2008 FCAT Writing 93% of the students scored at a Level 3 or higher.

-Science: Based on the 2008 FCAT Science Assessment only 39% of the students scored at Level 3 or above.

Programs the students participated in:

Last year the Close Up Foundation awarded CBMS a grant and 20 of our students were able to participate in a week trip to our nation's capital where students were able to learn about our government and see hands on the way our government works. Many of our students had never been on a plane or away from home, the sense of pride and independence that this gave our students will remain with them for years to come.

Also many of students completed community projects which included:

- visits to Nursing homes where the children preformed for the residents.
- Meeting with Holocaust survivors.
- A day of working at daycare center with young children mentoring them.
- Fund raising events at the school to benefit the school.
- Beach clean up on the weekends.
- Working at Humane Socceity

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008

This year we have added on a Physical Education Program which is mandatory to all students through Team Fit, the City of Miami Beach has allowed us to use the newly renovated Fairway Park minutes from our campus and the children are participating in the Presidential Fitness Program.

In addition the AOL Foundation has been awarded a grant through the 21st Century which will bring a new afterschool program which will offer students extra tutoring by certified teachers afterschool and language classes for their parents is needed in addition to yoga and nutrition classes to assist the students in their daily lives.

The students take pride in their school and know they are an important part of its success and future. The students faced many obstacles along the way yet the time, effort and endless hours that go into the school by the director, teachers and staff are the lifeline that holds the school together through the many challenges and obstacles that the school has faced. The rewards are endless, the knowing that CBMS is giving children and parents an opportunity and choice and each day we transform minds and lives are what give us the courage and strength to move beyond every challenge that has come our way.

CBMS is committed to the children and families in our community and to making a difference and we take pride in knowing that we give our 100% and more to this task we have at hand. The parents and children of Charter on the Beach Middle School will continue to move forward and build the strong foundation that will allow us to prosper and reach each and everyone of our goals.

Request for Information

This financial report is designed to provide a general overview of the CBMS's finances for all those with an interest in the CBMS's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to Gladys Palacio, Director, Doctors Charter School, Charter on the Beach Middle School, Inc. - 1211 Marseille Drive, Miami Beach, Florida 33141. Telephone number: (786) 258-2505.

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
STATEMENT OF NET ASSETS
JUNE 30, 2008

Assets

Current Assets	\$ -
Non-Current Assets:	
Capital assets, depreciable, net of accumulated depreciation	137,435
Deposits	<u>22,500</u>
Total Assets	<u>\$ 159,935</u>

Liabilities and Net Assets

Current Liabilities:	
Bank overdraft	\$ 2,892
Accounts payable	150,419
Accrued liabilities	<u>15,903</u>
	169,214
Long-term payable	<u>96,838</u>
Total Liabilities	266,052
Net Assets:	
Invested in capital assets, net of related debt	137,435
Unrestricted	<u>(243,552)</u>
Total Net Assets	<u>(106,117)</u>
Total Liabilities and Net Assets	<u>\$ 159,935</u>

The accompanying notes are an integral part of this financial statement.

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
STATEMENT OF ACTIVITIES
FROM INCEPTION THROUGH JUNE 30, 2008

2008					
FUNCTIONS	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit Activities:					
Instruction	\$ 274,715	\$ -	\$ 197,772	\$ -	\$ (76,943)
Instruction and Curriculum Development	-		-		-
Instructional Staff Training Services	-		-		-
General Administration	15,386		3,500		(11,886)
School Administration	86,010		25,750		(60,260)
Fiscal Services	51,233		22,437		(28,796)
Food Services	12,751		-		(12,751)
Central Services	-		-		-
Pupil Transportation Services	38,506		-		(38,506)
Operation of Plant	179,233		33,000		(146,233)
Maintenance of Plant	29,517		5,200		(24,317)
Community Services	2,901		-		(2,901)
Interest and finance charges	27,913		-		(27,913)
Total Component Unit Activities	718,165	-	287,659	-	(430,506)
 General revenues:					
					308,029
					49
					16,311
					(106,117)
					-
					<u>\$ (106,117)</u>

The accompanying notes are an integral part of this financial statement.

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
BALANCE SHEET
JUNE 30, 2008

	2008			Total Governmental Funds
	General Fund	Special Revenue Fund	Non-major fund fundraising	
<u>Assets</u>				
Deposits	\$ 22,500	\$ -	\$ -	\$ 22,500
Total Assets	<u>\$ 22,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,500</u>
<u>Liabilities</u>				
Bank overdraft	\$ 2,892	\$ -	\$ -	\$ 2,892
Accounts payable	150,419	-	-	150,419
Accrued liabilities	15,903	-	-	15,903
Total Liabilities	<u>169,214</u>	<u>-</u>	<u>-</u>	<u>169,214</u>
<u>Fund balance</u>				
Unreserved	(146,714)	-	-	(146,714)
Total Fund Balance	<u>(146,714)</u>	<u>-</u>	<u>-</u>	<u>(146,714)</u>
 Total Liabilities and Fund Balance	 <u>\$ 22,500</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 22,500</u>

The accompanying notes are an integral part of this financial statement.

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FROM INCEPTION THROUGH JUNE 30, 2008

Total Fund Balance - Governmental Funds \$ (146,714)

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets of \$185,606 net of accumulated depreciation of \$48,171 used in governmental activities are not financial resources and therefore are not reported in the fund. 137,435

The proceeds from long-term debt is a current resource to government funds, but increases in long-term liabilities in the statement of net assets. (96,838)

Total Net Assets - Governmental Activities \$ (106,117)

The accompanying notes are an integral part of this financial statement.

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.

(A Component Unit of the School Board of Miami-Dade County)

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FROM INCEPTION THROUGH JUNE 30, 2008

	2008			Total Governmental Funds
	General Fund	Special Revenue Fund	Non-major fund fundraising	
Revenues:				
Federal sources	\$ -	\$ 287,659	\$ -	\$ 287,659
Local sources	308,029			308,029
Fundraising and other			16,311	16,311
Interest and other revenues	49			49
Total Revenues	\$ 308,078	\$ 287,659	\$ 16,311	\$ 612,048
Expenditures:				
Current:				
Instruction	\$ 88,595	\$ 134,472	\$ 13,754	\$ 236,821
Instructional and Curriculum Development	-			-
Instructional Staff Training Services	-			-
General Administration	11,886	3,500		15,386
School Administration	60,260	25,750		86,010
Fiscal Services	28,796	22,437		51,233
Food Services	12,751			12,751
Central Services	-			-
Pupil Transportation Services	38,506			38,506
Operation of Plant	146,233	33,000		179,233
Maintenance of Plant	14,040	5,200		19,240
Community Services	344		2,557	2,901
Interest and finance charges	27,913			27,913
Capital Outlay:				
Facilities Acquisition and Construction	122,306	63,300		185,606
Debt Service:				
Redemption of Principal				-
Interest				-
Total Expenditures	551,630	287,659	16,311	855,600
Excess (deficit) of Revenues Over Expenditures	(243,552)	-	-	(243,552)
Other financing sources	96,838	-	-	96,838
Net change in fund balance	(146,714)	-	-	(146,714)
Fund Balance at beginning of year	-	-	-	-
Fund Balance at end of year	\$ (146,714)	\$ -	\$ -	\$ (146,714)

The accompanying notes are an integral part of this financial statement.

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FROM INCEPTION THROUGH JUNE 30, 2008

Change in Fund Balance - Governmental Funds \$ (146,714)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$185,606 differed from depreciation expense of \$48,171. 137,435

The proceeds from long-term debt is a current resource to government funds, but increases in long-term liabilities in the statement of net assets. (96,838)

Change in Net Assets of Governmental Activities \$ (106,117)

The accompanying notes are an integral part of this financial statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Charter on the Beach Middle School, Inc. (CBMS), is a not-for-profit corporation organized in the State of Florida. The School operates under a charter granted by the sponsoring district, the District School Board of Miami-Dade County (the “District”). The current charter expires on June 30, 2015. During the term of the charter, the District may terminate the charter if good cause is shown. The School is considered a component unit of such District. The School is located in Miami Beach, Florida for children from seventh through eighth grade and is funded by the District.

These financial statements are for from inception (August 13, 2004) through June 30, 2008. CBMS’s first school year was the 2007-2008 school year when approximately 45 students were enrolled for the school year.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements.

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities and changes in net assets. These statements report information for CBMS as a whole. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for each major governmental fund. Non-major funds are summarized into a single column.

CBMS reports the following major funds:

- General Fund – used to account for the full-time equivalent (FTE) revenue received from the District and the expenditures incurred under the charter with the District. In addition, it accounts for unrestricted contributions, interest income and other income
- Special Revenue Fund – used to account for resources legally restricted to specifically approved expenditures.

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, CBMS reports the following non-major fund:

- Fundraising Fund – used to account for revenues from fundraising events and other private sources which are designated to finance particular functions and activities in accordance with administrative requirements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of CBMS are prepared in accordance with generally accepted accounting principles (GAAP). CBMS's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with GASB pronouncements, in which case, GASB prevails.

The government-wide financial statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Statement No. 33 Accounting and Financial Reporting for Non-Exchange Transactions, as amended by GASB Statement No. 36 Recipient Reporting for Certain Shared Non-Exchange Revenues, they include grants and donations. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Government-wide financial statements also report capital assets and long-term debt.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. CBMS considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term debt and other liabilities which are reported as expenditures when the obligations are expected to be liquidated with expendable available financial resources.

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the period, expenditures were controlled at the function level.

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash

Cash and cash equivalents include cash on hand, demand deposits and any short-term investments with original maturities of three months or less from the date of acquisition. At June 30, 2008, CBMS had an overdrawn balance in cash.

Capital Assets

CBMS's property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the statement of net assets in the government-wide financial statements. Donated assets are stated at fair value on the date donated. CBMS generally capitalizes assets with a cost of more than \$750 for tangible personal property and more than \$1,500 for improvements other than buildings. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in the statement of activities. Estimated useful lives, in years, for depreciable assets are as follows:

Building and Fixed Equipment	10 Years
Furniture and Fixtures	5 Years
Computer software	3 Years

Pursuant to the Florida Statutes, any capital assets purchased with funds provided by the District would revert to the District upon termination of the charter. Management maintains records of such purchases. During the year ended June 30, 2008 \$122,306 of FTE funds were used to purchase capital assets.

Revenue Sources

Revenues for operations are received primarily from the District pursuant to the funding provisions included in the CBMS's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, CBMS will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for CBMS is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by CBMS during the designated full-time equivalent student survey periods.

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – INCOME TAXES

CBMS has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3), effective August 13, 2004. Accordingly, no tax provision has been made in the accompanying financial statements.

NOTE 3 – CONTINGENCIES AND CONCENTRATIONS

CBMS received 50% of its revenues from the District. These funds are subject to audit by the District and the State of Florida, the purpose of which is to ensure compliance with conditions precedent to funding. Any liabilities for reimbursement that may arise as a result of these audits are not reflected in the financial statements.

NOTE 4 – CHANGES IN CAPITAL ASSETS

The following schedule provides a summary of changes in capital assets for year ended June 30, 2008:

	<u>Balance at Inception</u>	<u>Additions</u>	<u>Disposal</u>	<u>Balance 6/30/08</u>
Capital Assets:				
Furniture and fixtures		44,225	2,850	\$41,375
Building and fixed equipment		102,770		102,770
Computer software	-	41,461	-	41,461
Total Capital Assets		188,456	2,850	185,606
Less Accumulated Depreciation:				
Furniture and fixtures		(16,334)		(16,334)
Building and fixed equipment		(10,277)		(10,277)
Computer software		(21,560)		(21,560)
Total Accumulated Depreciation	-	(48,171)	-	(48,171)
Capital Assets				<u>\$137,435</u>

Depreciation expense for the period ended June 30, 2008 was \$48,171 and has been allocated to various functions in the Statement of Activities.

NOTE 5 – RELATED PARTY TRANSACTIONS

CBMS's director and certain family members of the director have made advances to the school to support its first year operations. These advances have been recorded as long-term payables as there is no specific repayment terms.

Pursuant to the School charter agreement with the District, CBMS pays a management fee of 5% of qualifying revenues to the District. During the school year ended June 30, 2008, fees paid to the District totaled \$15,401.

NOTE 6 – COMMITMENTS

The School entered into a lease agreement for its building including all ancillary facilities, outdoor areas and other improvements. Current monthly rent payments under the agreement are approximately \$7,600 plus insurance costs of approximately \$1,641 per month. This lease expires on June 14, 2009.

For the 2007 - 2008 school year, rent and insurance expense on the facility totaled \$118,417. Future minimum payments under these leases are as follows:

<u>Year</u>	
2009	\$110,892

REQUIRED SUPPLEMENTARY INFORMATION

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FROM INCEPTION THROUGH JUNE 30, 2008

	General Fund		
	Original Budget	Final Budget	Actual
Revenues:			
State Sources	\$ -	\$ -	\$ -
Local sources	625,000	300,000	308,029
Interest and other revenues	-	-	49
Total Revenues	\$ 625,000	\$ 300,000	\$ 308,078
Expenditures:			
Current:			
Instruction	\$ 205,887	\$ 73,187	\$ 88,595
Instructional and Curriculum Development			-
Instructional Staff Training Services			-
General Administration	26,500	14,500	11,886
School Administration	69,250	54,250	60,260
Fiscal Services	27,563	27,563	28,796
Food Services	12,000	12,000	12,751
Central Services	-	-	-
Pupil Transportation Services	33,300	33,300	38,506
Operation of Plant	127,000	127,000	146,233
Maintenance of Plant	11,800	11,800	14,040
Community Services	-	-	344
Capital Outlay:			
Facilities Acquisition and Construction	86,700	86,700	122,306
Debt Service:			
Redemption of Principal			-
Interest	25,000	25,000	27,913
Total Expenditures	\$ 625,000	\$ 465,300	\$ 551,630

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
 (A Component Unit of the School Board of Miami-Dade County)
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FROM INCEPTION THROUGH JUNE 30, 2008

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
Revenues:			
Operating grant	\$ 300,000	\$ 300,000	\$ 287,659
Total Revenues	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 287,659</u>
Expenditures:			
Current:			
Instruction	\$ 146,813	\$ 146,813	\$ 134,472
General Administration	3,500	3,500	3,500
School Administration	25,750	25,750	25,750
Fiscal Services	22,437	22,437	22,437
Operation of Plant	33,000	33,000	33,000
Maintenance of Plant	5,200	5,200	5,200
Capital Outlay:		-	
Facilities Acquisition and Construction	63,300	63,300	63,300
Total Expenditures	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 287,659</u>

GRAVIER
&
Associates

CERTIFIED PUBLIC ACCOUNTANTS
A LIMITED LIABILITY PARTNERSHIP OF PROFESSIONAL ASSOCIATIONS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Charter on the Beach Middle School

Miami Beach, Florida

We have audited the financial statements of Charter on the Beach Middle School, Inc. ("CBMS") as of, and for the year ended June 30, 2008 and have issued our report thereon dated September 26, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered CBMS's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CBMS's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of CBMS's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects CBMS's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of CBMS's financial statements that is more than inconsequential will not be prevented or detected by CBMS's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by CBMS's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described in the accompanying schedule of findings and responses, we consider item 2008-1 and 2008-2 to be a material weakness.

201 Alhambra Circle, Suite 901, Coral Gables, FL 33134 • Tel: 305.446.3022 • Fax: 305.446.6319

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether CBMS's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Finding 1 – Audit Deadline

CBMS's audited financial statements were not submitted by September 5, 2008, which is the contractually required deadline under the Standard Charter School Contractual Agreement with the School Board of Miami-Dade County.

Management's response

Management is aware of the deadline and will strive to achieve a timely audit for the 2008-2009 school year.

Finding 2 – Form 990

CBMS's has not filed the Federal information for non-profit organization (Form 990) for any year. Failure to timely file such returns could lead to a revocation of the entities non-profit status.

Management's response

Management will immediately contract an accounting firm to prepare all required forms.

In addition, we noted certain matters that we reported to management of CBMS in a separate letter dated September 26, 2008.

This report is intended solely for the information and use of management, the audit committee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 26, 2008

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2008

2008-1 - FINANCIAL INFORMATION AND ELECTRONIC DATA SECURITY

- Criteria: Accounting information and electronic data should be properly safeguarded against loss through appropriate means of back-up, security features and contingency plans.
- Condition: CBMS loss significant portions of its accounting data during the school year, which required a reconstruction and re-entering of the data for preparation of the financial statements. Unaudited financial information submitted to the District was not accurate because of this data loss.
- Context: Because all the data had to be reconstructed, the risk of error and misstatement is greater. In addition, the unaudited financial information provided to the District was not accurate because of this data loss and the audit could not be timely performed.
- Effect: The reconstruction process delayed the audit and increased the risk of error and misstatement in the financial statement. In addition, the unaudited financial information provided to the District was not accurate because of this data loss. Failure to correct this condition could lead to further loss of data that may not be recoverable and therefore, make the issuance of accurate financial information difficult or not possible.
- Cause: The condition results from the lack of control over data security.
- Recommendation: Management should obtain the services of an IT firm that could recommend appropriate safeguards such as periodic or automatic back-up, off-site storage of information or other contingency plans.
- Management Response: As soon as funds are available, management will contract an IT firm to provide the required services.

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.
(A Component Unit of the School Board of Miami-Dade County)
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2008

2008-2 - INTERNAL CONTROL ENVIRONMENT

- Criteria: The accounting function of an organization should be established with appropriate controls to ensure that financial data is recorded in a complete, accurate and timely manner. These controls should include policies to establish proper authorization, segregation, risk assessment, communication and monitoring.
- Condition: CBMS's accounting controls have not been effectively implemented. Specifically, the following accounting controls were not observed during our audit:
- Documented Board member approval for significant purchases or contracts.
 - Second signature on large checks
 - Segregation of key functions
 - Documentation of adopted budget and budget monitoring
 - Complete documentation of personnel files
- Context: Failure to effectively implement a sound and robust internal control system increases the risk of error, omissions or fraud.
- Effect: The deficient internal control environment resulted in a stressed financial environment, a prolonged and challenging audit process and has hindered the entity's ability to accurately and timely provide financial information.
- Cause: The condition results from the lack of available personnel and resources.
- Recommendation: Management should work to implement and achieve the sound internal control environment desired and described in the school's charter application.
- Management Response: Management fully expects obtain sufficient financial resources during the 2008-2009 school year in order to properly implement the control system.

MANAGEMENT LETTER

Board of Directors of
Charter on the Beach Middle School, Inc.

Miami Beach, Florida

We have audited the accompanying basic financial statements of Charter on the Beach Middle School, Inc. as of and from inception through June 30, 2008 and have issued our report thereon dated September 26, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters dated September 26, 2008. Disclosures in that report, if any, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General which govern the conduct of charter school audits performed in the State of Florida and require that certain items be addressed in this letter.

Those items, as outlined in Section 10.854, are as follows:

1. A statement as to whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report.

Not applicable. This is the first audit of the school.

2. A statement as to whether the School has met one or more conditions described in Section 218.503 (1) Florida Statutes, and identification of the specific condition.

CBMS has met the following conditions described in Section 218.503(1) Florida Statutes:

- Failure to pay uncontested claims from creditors within 90 days after the claim is presented, as a result of a lack of funds.
- An unrestricted and total net assets deficit for which sufficient resources are not available to cover.

3. Recommendations to improve the School's present financial management, accounting procedures and internal controls.

The following are recommendations to improve the School's financial management, accounting procedures and internal controls:

FRAUD AND WHISTLEBLOWER POLICY

Observation

The School has not implemented a policy/process by which personnel can anonymously report suspected fraud and abuse.

Recommendation

Personnel are often in the best position to identify and report fraud and abuse. Therefore, such a policy will enhance internal control.

Management's response

A policy will be implemented during the 2008-2009 school year.

4. Violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial amounts that are less than material but more than inconsequential.

No such violations have been noted during the audit.

5. Matters that are inconsequential to the determination of financial statement amounts considering both quantitative and qualitative factors, including the following:
 - a. Violations of laws, rules, regulations and contractual provisions or abuse that have occurred, or are likely to have occurred,
 - b. Improper expenditures or illegal acts that would have an immaterial effect on the financial statements.
 - c. Control deficiencies that are not significant deficiencies, including, but not limited to:
 - i. Improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements).
 - ii. Failures to properly record financial transactions.
 - iii. Inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

No such conditions were noted during the audit.

6. The name or official title of the School.

The name and title are disclosed in the accompanying financial statements.

7. A statement that the auditor applied financial condition assessment procedures pursuant to Rule 10.855(10).

We have applied such procedures and have determined that the school has met certain of the financial emergency conditions in Florida Statutes Section 218.503(1). See item 2 above. We consider these conditions to have resulted as a consequence of the school being a start-up having completed its first school year and not as a result of a deteriorating financial condition.

This report is intended solely for the information and use of management, the audit committee, the Auditor General of the State of Florida and the School Board of Miami-Dade County and is not intended to be and should not be used by anyone other than these specified parties.

Graham & Associates, CP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 26, 2008

Messrs.

MIAMI-DADE COUNTY
PUBLIC SCHOOLS
Office of Management and Compliance Audits
School Board Administration Building
1450 N.E. 2nd Avenue Suite 415
Miami, FL 33132

.....

Ref.: CHARTER ON THE BEACH MIDDLE SCHOOL INC.
Financial Recovery Plan

Dear Sirs,

This letter refers to, and responds your letter dated the 14th day of October of 2008, in which you inform us that a Determination of Financial Emergency has been made regarding **CHARTER ON THE BEACH MIDDLE SCHOOL INC.** (hereinafter CBMS).

- A. Said letter mentions three concerns:
Electronic Data Security
- B. Determination of Financial Emergency, Assets Deficit
- C. Internal Control Environment

In your letter we are requested to, within 30 days; provide information and supporting documentation as to the actions taken or to be taken to resolve the Financial Emergency, and to specifically address the concerns raised in the above mention Determination.

Consequently, we hereby address the Miami-Dade Public School Board's concerns:

A. Determination of Financial Emergency, Assets Deficit

CBMS has made significant strides to improve our financial situation. Below we have outlined our key initiatives which will directly increase our Net Assets by approximately \$331,000 in the 2008-2009 school year.

1. Significant cash-flow relief ~ in excess of \$100,000
 - o During the 2007-2008 year over \$185,606 in cash went to our bringing our building to code, remodeling and start-up expenses (see page 14 in Auditors Report).

- In contrast, our projected capital outlay for the 2008-2009 year does not exceed \$15,000.

2. Increase in Revenue ~\$290,000

- a. Student enrollments - We increased student enrollment from 45 FTEs in May, 2008 to 91 FTEs in October, 2008 which will generate approximately \$185,426 in incremental revenue. (attachments 1 – Oct 2008 FTE sheet)
- b. Rent revenue - Signed 12 month contract with River Cities Charter School to sublet classroom space (utilities and security staff included) for \$3,800 per month or \$45,600 for the year. (attachments 2,3,4 – Building Lease, Approval Miami Beach, Cancelled Check for \$20,015)
- c. Transportation revenue – Transportation reimbursement increased by approximately \$14,329 yearly because we are transporting 33 (118% growth) more students daily. (Attachments 5 – Bus student list 2008-2009)
- d. National School Lunch Program – We have been approved for NSLP and expect to receive approximately \$37,211 for the 2008-2009 school year. As of October, 2008 - 69 students receive free lunch, 7 receive reduced lunch, and 4 students are paying. (Attachments 6,7,8)NSLP sponsor information, two NSLP checks, claim for August 2008, claim September 2008, claim October 2008)
- e. Title 1 funding – Given our NSCLP status, we are eligible for Title 1 funding after review from Title 1 Office.
- f. Capital Outlay funding – We are currently going through the accreditation process with the objective of receiving funds for the beginning of 2009-2010 school year.

3. Decrease in Operating Expenses ~\$18,200

- a. Transportation – Reduced busing costs by approximately \$9,900 year over year. Busing costs in the Fall 2007 were \$350/day because we were transporting students to Opa Locka while our Miami Beach location was being remodeled. Beginning in the spring 2008 and throughout the 2008-2009 school year we are paying \$185/day. (Awaiting receipts attachment from last year busing expense.)

- b. Rent – We have reduced our rent expenses by about \$6,300 because in the fall 2007 we paid double rent while our Miami Beach facility was being remodeled. (Awaiting rental receipts from rental for 2007-2008 school year.)
- c. Marketing – We saved approximately \$2,000 in marketing expenses because we re-enrolled 86% of our 2007-2008 7th graders.

4. Decrease in Payables and Liabilities ~\$23,639

- a. Liabilities - The Bank of America credit card debt has been reduced by \$3,187.96 and the remaining \$1,600 will be paid in full by January 23, 2009. (Attachment 10 – Letter from Frederick J. Hanna & Associates))
- b. Deferred Revenue – The original \$20,015 in prepaid rent from River Cities Charter School has been reduced by \$19,000 to reflect the first 5 months of rent which began June 1, 2008. (Attachment 2, 3, 4) – Contract with River Cities Charter School, Copy of cancelled check for \$20,015, approval from City of Miami Beach planning Board to allow River Cities to operate on our site for the 2008-2009 school year)
- c. Payables – The Bank of America bank payable has been reduced by \$1,452.07 leaving a balance of \$1,452.07 and will be paid in full by November 15, 2008. (Attachment 9 – Letter from Bank of America/Gamache & Myers, PC.).

B. Electronic Data Security

CBMS has contracted the services of INP Accounting Services (as will be seen below in letter C) in order to regularly keep back-ups of all it's financial information invoice). Part of the services rendered by them is to keep an updated back up of CBMS's records off site. However, CBMS also keeps a current copy of its records and a current back up in-site.

C. Internal Control Environment

CBMS agreed with the auditors that the following 2 issues of internal control environment needed to be addressed: adequate bookkeeping, and requirements of two or more signatures for checks of large amounts.

CBMS took the following two actions:

1. Bookkeeping: CBMS hired the services of INP Accounting Services, who are now in charge of keeping the financial records of the School. Since this action was taken, CBMS has been able to completely update its financial information and keep it current at all times. The Board of Directors was informed of the progress made in this regard on its Session of October 27, 2008 (Attachment 10 – copy of the Minutes of the Board of October 27, 2008).
2. Signatures in checks. The Board of Directors resolved in its meeting of October 27, 2008 (see Attachment 10) that there will be two levels of authority for writing checks:
 - a. Checks for seven thousand dollars (\$7,000.00) or less can be signed by The Principal and require only her signature.
 - b. Checks for amounts above seven thousand dollars (\$7,000.00) require two (2) signatures. The Principal and any one Director can sign these checks
 - c. **Except that** checks for payment of the monthly rent, up to eleven thousand dollars (\$11,000.00) can be written by the Principal and require only her signature.

The foregoing letter and its contents have been authorized by the unanimous vote of the Board of Directors in its meeting of November 8, 2008 (see Attachment 11), and the Principal has been directed to sign it on behalf of CBMS and the Board.

We trust the above information and the supporting documents are satisfactory. If you should require further information or clarifications, please let us know immediately so we can promptly provide any other information/documentation necessary. If so, please contact the Principal, Ms. Gladys Palacio, in the premises of the CHARTER ON THE BEACH MIDDLE SCHOOL, INC., located on 1211-1219 Marseille Drive, Miami Beach, Florida 33141, by phone at (786) 258-2505, by fax at (305) 866-2113 or by e-mail: gladys.palacio@charteronthebeach.org .

Sincerely,

Gladys Palacio
Director

INVOICE
6007 Charter on the Beach Middle
Contract with Miami Dade County Public Schools
Fiscal Year 2008-09

	Annual Revenue	Payments		
		Prior Mos.	This Mo.	Total YTD
Base FEFP Funding	\$ 358,812	\$ 81,846	\$ 30,774	\$ 112,620
Other FEFP	42,596	9,714	3,654	13,368
Declining Enrollment	1,752	400	150	550
Less EEC Allocation	(890)	(202)	(76)	(278)
Sub-Total	\$ 402,270	\$ 91,758	\$ 34,502	\$ 126,260
Categorical Allocations:				
Instructional Materials / Textbooks	8,568	5,947	291	6,238
Transportation	12,158	3,039	1,013	4,052
Supplemental Academic Instruction	31,674	7,223	2,717	9,940
ESE Guaranteed Allocation	6,868	1,716	572	2,288
Safe Schools	2,830	646	243	889
EEC Allocation	890	202	76	278
Sub-Total	\$ 62,988	\$ 18,773	\$ 4,912	\$ 23,685
Class Size Reduction Program	\$ 82,223	\$ 18,756	\$ 7,052	\$ 25,808
	-	-	-	-
Prior Year Adjustment	-	-	-	-
Performance Pay 2007-08	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL ANNUAL REVENUE	\$ 547,481	\$ 129,287	\$ 46,466	\$ 175,753
Less: 5% Administrative Overhead	(27,374)	(6,265)	(2,345)	(8,610)
Over 500 FTE Capital Outlay	-	-	-	-
Less Cost of Decon Radios	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL PAYMENTS	\$ 520,107	\$ 123,022	\$ 44,121	\$ 167,143

Total Number of Payments Remaining

12 3 1 4

Revenue calculation from worksheet **calc 1 (2)**
 (Total Revenue - Prior Mos Payments) ÷ (# of Remaining Payments)

Approved for Payment by: *Connie Pou* 10/13/08
 Connie Pou Controller Date

MM 10/10
2008
Sept 4x12,000

**REVENUE WORKSHEET
CHARTER SCHOOLS BASE FUNDING ESTIMATE
2008-09 WEIGHTS AND DCD**

Name of Charter School:

6007 Charter on the Beach Middle

FUNDING FROM ESE GUARANTEE				CLASS SIZE REDUCTION ALLOCATION			
	UFTE	\$ Value	\$ Allocation	Basic	wFTE	Value	Allocation
Program 111 - Level 1	-	\$ 1,021	\$ -	K-3	-	\$ 1,160.46	\$ -
- Level 2		\$ 3,296	\$ -	4-8	89.05	\$ 923.33	\$ 82,223
- Level 3		\$ 6,725	\$ -	9-12	-	\$ 925.56	\$ -
Program 112 - Level 1	6.00	\$ 1,145	\$ 6,868	DCD		1,0145	\$ -
- Level 2		\$ 3,419	\$ -	Totals	<u>89.05</u>		<u>\$ 82,223</u>
- Level 3		\$ 6,648	\$ -				
Program 113 - Level 1	-	\$ 815	\$ -				
- Level 2		\$ 3,089	\$ -				
- Level 3		\$ 6,518	\$ -				
	<u>6.00</u>		<u>\$ 6,868</u>				

Student Transportation			
Students Transp'd	No.	Rate	Allocation
ESE Students	0	916.00	\$ -
Non-ESE Students	28	434.22	\$ 12,158
Totals			<u>\$ 12,158.00</u>

NOTES

- A** Use % calculated in #2, Col. A above
- B** Use % calculated in #2, Col. B above
- C** Will be calculated by district based upon number of students actually transported and eligible in accordance with Chapter 234, Florida Statutes.
- D** The Florida Legislature requires that \$10 per FTE be allocated from basic FEFP funds to be expended at the discretion of the school advisory committee to implement the required school improvement plan. As a result \$10 per FTE is deducted from basic FEFP and added as a categorical allocation.
- E** Single, lump-sum payments will be provided to charter schools based upon the number of eligible instructional staff employed by the charter school. Instructions for documenting eligibility will be issued by the Office of Personnel and/or the Office of the Controller as soon as state guidelines are known. (Subject to proration)
- F** Single, lump-sum payments will be provided to charter schools which for the prior school year either received an "A" grade or improved one letter grade from the year before. Eligible schools receive \$100 per pupil. (Subject to proration)
- G** Based on number of students in each category times allocated amount X DCD
- * All revenue calculations will be recalculated during the year to reflect changes in school, district and statewide data on which the calculations are based

- Calc 1:** Based on the Florida Education Finance Program - First Calculation
- Calc 2:** Based on the Florida Education Finance Program - Second Calculation
- Calc 3:** Based on the Florida Education Finance Program - Third Calculation
- Calc 4:** Based on the Florida Education Finance Program - Fourth Calculation

**REVENUE WORKSHEET
CHARTER SCHOOLS BASE FUNDING ESTIMATE
2008-09 WEIGHTS AND DCD**

Name of Charter School:

6007 Charter on the Beach Middle

1. Estimated Base Funding

No.	Program	Unweighted FTE	Program Cost Factor	Weighted FTE (b) x (c)	District Student Allocation	District Cost Differential	Base Funding (d) x (e) x (f)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	
BASIC							
101	K-3 Basic	-	x 1.066	= - x	3,971.74	x 1.0145	= \$ -
102	4-8 Basic	82.60	x 1.000	= 82.60 x	3,971.74	x 1.0145	= \$ 332,823
103	9-12 Basic	-	x 1.052	= - x	3,971.74	x 1.0145	= \$ -
111	K-3 Basic w/ ESE	-	x 1.066	= - x	3,971.74	x 1.0145	= \$ -
112	4-8 Basic w/ ESE	6.00	x 1.000	= 6.00 x	3,971.74	x 1.0145	= \$ 24,176
113	9-12 Basic w/ ESE	-	x 1.052	= - x	3,971.74	x 1.0145	= \$ -
130	ESOL	0.40	x 1.119	= 0.45 x	3,971.74	x 1.0145	= \$ 1,813
EXCEPT ED. PGMS.							
254	ESE Support Level 4	-	x 3.570	= - x	3,971.74	x 1.0145	= \$ -
255	ESE Support Level 5	-	x 4.970	= - x	3,971.74	x 1.0145	= \$ -
VOC. JP (7-12)							
300	Vocational Educ. 6-8	-	x 1.077	= - x	3,971.74	x 1.0145	= \$ -
300	Vocational Educ. 9-12	-	x 1.077	= - x	3,971.74	x 1.0145	= \$ -
TOTAL K-12		89.00		89.05			\$ 358,812

2. School's FTE divided by district's FTE = school's share of FTE:

School's FTE (Column b or d above)
District's Total FTE
School's % of Total District FTE

A	B
wFTE	uwFTE
Total K-12	Total K-12
89.05	89.00
361,724.9	341,424.5
0.0246%	0.0261%

	See Notes Below	Total District Revenue	School % (See Notes)	Estimated School Revenue
3. Discretionary Millage (.760 Mills)	A	\$ 159,240,922	x 0.0246%	\$ 39,173
4. .25 Mill Discretionary Equalization	A	\$ -	x 0.0246%	\$ -
5. .51 Mill Compression	A	\$ -	x 0.0246%	\$ -
6. Discretionary Lottery	A	\$ 13,915,011	x 0.0246%	\$ 3,423
7. Declining Enrollment	A	\$ 7,121,585	x 0.0246%	\$ 1,752
8. Less EEC Allocation	D			\$ (890)
CATEGORICAL ALLOCATIONS				
9. Instructional Materials Allocation	B	\$ 32,826,627	x 0.0261%	\$ 8,568
10. Student Transportation	C			\$ 12,158
11. Supplemental Academic Instr	A	\$ 128,754,917	x 0.0246%	\$ 31,674
12. ESE Guaranteed Alloc		\$ 145,165,139		\$ 6,868
13. Safe Schools	B	\$ 10,844,419	x 0.0261%	\$ 2,830
14. Class Size Reduction Program	G	\$ 364,515,147		\$ 82,223
15.				
16.				
OTHER ALLOCATIONS/ADJUSTM				
16. EEC Alloc. (\$10 per Unweighted FTE)	D	\$ 10	x 89.00	\$ 890
17. Prior Year Adjustment				
18. Performance Pay 2007-08				
19.				
20.				
21.				
22.				
23.				
TOTAL ESTIMATED REVENUE *				\$ 547,481

Sublease Agreement

This Sublease Agreement (the "Sublease") is made and effective July 15, 2008, by and between **Charter on the Beach Middle School, Inc.** ("Sublessor"), and **River Cities Community Charter School, Inc.** ("Subtenant").

Sublessor is the tenant in a Commercial Lease agreement dated June 19, 2007 with Aqua Vista Holdings, Inc., McCadden LLP, and OMI Marseille, LLC. for a term commencing on June 19, 2007 and ending on June 14, 2009 (the "Master Lease"). A copy of the Master Lease is attached hereto and incorporated herein by this reference. The property leased to Sublessor in the Master Lease is referred to as the "Leased Property" and is located at 1211 Marseille Drive, Miami Beach, Florida.

Sublessor now desires to sublease a portion of the Leased Property to Subtenant, and Subtenant desires to acquire the sublease for a portion of the Leased Property.

NOW, THEREFORE, for value received by each of the parties hereto, the receipt and sufficiency of which are hereby respectively acknowledged, and in consideration of the mutual agreements of the parties, it is agreed:

1. Sublease

A. Sublessor agrees to sublease a portion of the Leased Property to include use as follows: up to 3 classrooms, shared use of the general office area, student dining room, media room, and common areas, including recreational patio area.

1. **Sublease Term:** Month to month lease starting July 15, 2008.
2. **Monthly Sublease Rent:** an equal pro rata share, on a per student basis, of the total monthly rent due per the Master Lease agreement calculated based on final student enrollment. (\$3,800/month) *Star*
3. **Deposit:** Subtenant agrees to deposit with Sublessor the amount of \$20,000 to be credited as payment of rent in advance for the sublease of the portion of the Leased Property as stipulated herein. Monthly rent payments that become due from Subtenant shall be deducted from this prepaid rent until the prepaid amount of \$20,000 is depleted.
4. **Utilities:** Subtenant shall pay a pro rata share of the monthly utilities, to include electric, water, garbage pick-up in addition to the monthly sublease rent.

B. Subtenant shall pay the rent to Sublessor not later than the **5th day** of each month. Rent payments shall be made to the address for Sublessor below or such other address that Sublessor may identify to Subtenant from time to time. Subtenant shall also pay to Sublessor any other amount or charge that Sublessor is obligated to pay under the Master Lease that arises or is attributable to Subtenant's occupancy such as, but not limited to, charges for garbage, water, sewer, utilities, common area expenses, maintenance and refuse removal. Such charges shall be paid within ten days of Sublessor's statement. Subtenant shall be responsible for procuring and paying for any utilities or services not provided by landlord pursuant to the Master Lease.

C. In the event there is more than one Subtenant party, then the obligations of each such Subtenant shall be joint and several.

2. Obligations Under Master Lease

Subtenant agrees to comply with the terms of the Master Lease and shall not do or permit to be done anything that would constitute a breach or default of Sublessor's obligations in the Master Lease. Sublessor agrees to comply with all of Sublessor's obligations in the Master Lease. Sublessor agrees timely to pay rent and other charges due under the Master Lease and, provided Subtenant is not in breach or default of any obligation in this Sublease, shall not do anything to disturb Subtenant's use of the Leased Property pursuant to this Sublease.

3. Indemnification.

A. Subtenant will indemnify, protect, defend and hold Sublessor harmless from and against any and all loss, cost, damage and expense arising out of or in any way related to a breach or default of Sublessor's obligations in the Master Lease by Subtenant.

B. Sublessor will indemnify, protect, defend and hold Subtenant harmless from and against any and all loss, cost, damage and expense arising out of or in any way related to a breach or default of the Master Lease by Sublessor.

3. No Assignment or Sublease.

Subtenant shall not, without the prior written consent of both Sublessor and the landlord in the Master Lease, assign this Sublease or sublet the Leased Property or any part thereof.

4. Notices.

Any notice given in connection with this Agreement, shall be in writing and shall be given to the appropriate party by personal delivery or by certified mail, postage prepaid, or recognized overnight delivery service as follows:

If to Sublessor:

Charter on the Beach Middle School
1211 Marseille Drive
Miami Beach, Fl 33141

If to Subtenant:

River Cities Community Charter School
6300 NW 77 Ct.
Miami, Florida 33126

5. Headings.

Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be duly executed as of the date first above written.

Sublessor:

Charter on the Beach Middle School, Inc.

By: Yvette Farrow

Subtenant:

River Cities Community Charter School, Inc.

By: [Signature]

on behalf of

Landlord's Consent

The undersigned, the landlord in the Master Lease, hereby acknowledges consent to the foregoing Sublease Agreement.

LANDLORD:

Aqua Vista Holdings, Inc.

By: [Signature]

Keren Bajaroff, President

McCadden, LLP OMI Marseille, LLC

By: [Signature]

Printed: AMV MASCHERZYK
O.M.I. LLC, Managing Partner

CFN 2008R0829327
DR Bk 26605 Pgs 0336 - 339 (4pgs)
RECORDED 10/09/2008 13:53:41
HARVEY RUVIN, CLERK OF COURT
MIAMI-DADE COUNTY, FLORIDA

**PLANNING BOARD
CITY OF MIAMI BEACH, FLORIDA**

PROPERTY: 1211 - 1219 Marseille Drive.

FILE NO. 1820

IN RE: The Application by Charter on the Beach Middle School and River Cities Community Charter School requesting a Modification to a previously approved Conditional Use Permit to authorize River Cities School to sublease space in the facilities of Charter on the Beach through the 2008 - 2009 academic year only.

LEGAL DESCRIPTION: Lots 7b and 7c Block 8 of "Second Revised Plat of Portions of Ocean Side Section and Trouville Section of Isle of Normandy", according to the plat thereof, as recorded in PB 40, page 35 of the public records of Miami-Dade County, Florida.

MEETING DATE: September 23, 2008

MODIFIED CONDITIONAL USE PERMIT

The applicants, Charter on the Beach Middle School and River Cities Community Charter School requested a modification to previously approved Conditional Use approval pursuant to Section 118-193 of the Land Development Regulations of the Code of the City of Miami Beach, Florida. Notice of the request for a Conditional Use Permit was given as required by law and mailed out to owners of property within a distance of 375 feet of the exterior limits of the property, upon which the application was made.

The Planning Board of the City of Miami Beach makes the following FINDINGS OF FACT, based upon the evidence, information, testimony and materials presented at the public hearing and which are part of the of the record for this matter:

That the property in question is located in the RM-1, Residential Multifamily Low Intensity Zoning District;

That the use is consistent with the Comprehensive Plan for the area in which the property is located;

That the intended use or construction will not result in an impact that will exceed the thresholds for the levels of service as set forth in the Comprehensive Plan;

That structures and uses associated with the request are consistent with the Land Development Regulations;

That the public health, safety, morals, and general welfare will not be adversely affected if the applicant complies with the conditions stated herein;

That necessary safeguards will be provided for the protection of surrounding property, persons, and neighborhood values.

IT IS THEREFORE ORDERED, based upon the foregoing findings of fact, the evidence, information, testimony and materials presented at the public hearing, which are part of the record for this matter, and the staff report and analysis, which is adopted herein, including the staff recommendation, that a modification to the Conditional Use Permit as requested and set forth above be GRANTED, subject to the conditions below, which have been accepted by the applicants: Strikethroughs mean deleted items; Underlining means new language.

1. The Planning Board shall maintain jurisdiction of this Conditional Use Permit. The Board reserves the right to modify the Conditional Use approval at the time of a progress report in a non-substantive manner, to impose additional conditions to address possible problems and to determine the timing and need for future progress reports. This Conditional Use is also subject to modification or revocation under City Code Sec. 118-194 (c).
2. ~~Prior to the issuance of a building permit, or Certificate of Occupancy, whichever may occur first, the applicant shall participate in a Transportation Concurrency Management Area Plan (TCMA Plan), as deemed necessary, by paying its fair share cost, as determined by the Transportation/Concurrency Management Division.~~
3. The co-applicants shall receive all necessary approvals and licenses from all pertinent local, regional and state government agencies for this facility prior to the issuance of a Certificate of Occupancy, Certificate of Use or an Occupational license (n/k/a Business Tax Receipt) whichever may occur first apply.
4. The co-applicants shall comply with all the licensing requirements of the State of Florida, Miami-Dade County, Miami-Dade County Public Schools System and the City of Miami Beach including approval by the Miami Beach Fire Department prior to the issuance of Certificate of Completion or Certificate of Occupancy for the school, or a Certificate of Use, or Occupational License (n/k/a Business Tax Receipt) whichever occurs first may apply.
5. This Modified Conditional Use Permit is issued to Charter on the Beach Middle School to allow the sublease of premises to River Cities Community Charter School only. Any change of to the management or ownership of Charter on the Beach Middle School shall require review by the Planning Board as a modification to this Conditional Use Permit. Subsequent owners and managers shall be required to appear before the Board, in advance, to affirm their understanding of the conditions listed herein.
6. The Modification to the Conditional Use Permit issued to Charter on the Beach Middle School shall be only to approve River Cities Community Charter School to be a sub-lessee during the 2008-2009 School Year. When school ends in June 2009, this Modification shall become null and void.
7. The maximum number of students in the facility shall be limited to 194 or any lesser number that may be approved as an occupant load by the Chief Fire Marshall.

8. The hours of operation of the school facility shall be as requested by the applicant, from 8:30 AM to 4:45 PM, except for the administrative staff and in cases of emergency.
9. Any exterior business identification signs shall be submitted to staff for review and approval prior to approval of a building permit.
10. Any exterior modifications shall be submitted for design review and approval by staff under separate application.
11. The front yard shall not be used for recreational use; rather, it should remain as green space.
12. The applicant shall obtain a full building permit within 18 months from the date of the meeting, and work proceed in accordance with the Florida Building Code. Extensions of time for good cause, not to exceed a total of one year for all extensions, may be granted by the Planning Board, provided a request in writing is submitted to the Planning Director in advance of the expiration of the original approval. In the event a proposed Code amendment renders a project with a Conditional Use approval non-conforming, as more specifically set forth in sections 118-168 and 118-169 of the City Code, then such a project shall not be eligible to receive an extension of time for any reason.
13. The applicant shall provide documents verifying any agreements with the City's Parking Department to designate a no parking school load zone specifying the location where vehicles will be parked and the number of spaces. These documents shall be submitted to staff prior to the approval of a Certificate of Use or Occupational License, whichever occurs first.
14. The existing parking spaces on site shall be clearly marked "Staff Only." Access to these parking spaces shall only be before 8:00 a.m. to avoid conflict with student arrival time at 8:30 a.m.
15. The applicant shall ensure that school security and/or staff supervision shall be provided particularly at the beginning and the end of the school day to control traffic congestion. The drop-off/pick-up area shall be parallel to the front of the school. School security and administrative staff shall ensure that vehicles dropping off or picking up students do not try to access the staff parking spaces as a precaution for the general safety and welfare of the students.
16. School security and administrative staff shall also ensure that student behavior (noise or loitering) does not become a nuisance to residents in the area.
17. The applicant shall be responsible for maintaining the areas adjacent to the facility, such as the sidewalk and the areas of the street adjacent to and around the property on Marseille Drive and in the rear of the property along the canal.
18. This order is not severable, and if any provision or condition hereof is held void or unconstitutional in a final decision by a court of competent jurisdiction, the order shall be returned to the Board for reconsideration as to whether the order meets the criteria for

approval absent the stricken provision or condition, and/or it is appropriate to modify the remaining conditions or impose new conditions.

- 19. The applicant shall satisfy outstanding liens and past due City bills, if any, to the satisfaction of the City prior to the issuance of a Certificate of Use.
- 20. This Modified Conditional Use Permit shall be recorded in the Public Records of Miami-Dade County at the expense of the applicant, prior to the issuance of a modified certificate of use.
- 21. The establishment and operation of this Conditional Use shall comply with all the aforementioned conditions of approval; non-compliance shall constitute a violation of the Code of the City of Miami Beach, Florida, and shall be subject to enforcement procedures set forth in Section 114-8 of said Code and such enforcement procedures as are otherwise available. Any failure by the applicant to comply with the conditions of this Order shall also constitute a basis for consideration by the Planning Board for a revocation of this Conditional Use.

Dated this 7 day of October, 2008.

PLANNING BOARD OF THE
CITY OF MIAMI BEACH, FLORIDA

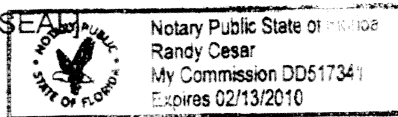
BY: Jorge G. Gomez
Jorge G. Gomez, Planning Director
For Chairman

STATE OF FLORIDA)
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this 7 day of October, 2008, by Jorge G. Gomez, Planning Director of the City of Miami Beach, Florida, a Florida Municipal Corporation, on behalf of the corporation. He is personally known to me.

Randy Cesar
Notary:
Print Name: Randy Cesar
Notary Public, State of Florida
My Commission Expires: 2-13-2010
Commission Number:

[NOTARIAL SEAL]



Approved As To Form:
Legal Department (Filed 10-3-08)

OFFICIAL CHECK
Customer Copy

22-1676/960

201147429

May 30, 2008

PAY TO
THE ORDER OF JEFF CYNAMON***

\$1,533.00***

*One thousand five hundred thirty three and 00/100 Dollars****

DRAWER: COLONIAL BANK, N.A.
NON NEGOTIABLE

REMITTER RIVER CITIES COMMUNITY CHARTER SCHOOL

Issued By: MoneyGram Payment Systems, Inc. Mpls, MN
Drawee: US Bank, St. Paul, MN

OFFICIAL CHECK
Customer Copy

22-1676/960

201147428

May 30, 2008

PAY TO
THE ORDER OF GALEI MARSEILLE***

\$18,482.00***

*Eighteen thousand four hundred eighty two and 00/100 Dollars****

DRAWER: COLONIAL BANK, N.A.
NON NEGOTIABLE


REMITTER RIVER CITIES COMMUNITY CHARTER SCHOOL

Issued By: MoneyGram Payment Systems, Inc. Mpls, MN
Drawee: US Bank, St. Paul, MN

MARANATA BUS SERVICE**CHARTER ON THE BEACH 2008-2009 OCTOBER CHILDREN TRANSPORTED**

7923396 ALONSO DAIRON 8255 ABBOTT AVE 304, 33141
9842480 ROMERO PABLO 7640 CARLYLE AVE 7-A, 33141
9865800 LOPEZ YOSSELLY 6605 COLLINS AVE 3, 33141
7021463 MUNIZ KERVIN 9546 NW 3 AVE, 33150
7691901 VELASQUEZ NOELIA 7920 EAST DR 2, 33141
9347594 MARTINEZ KENNIA 8050 NW MIAMI CT, 33150
7775052 BERNARD MILENDA 9950 NW 5 AVE, 33150
8620214 LUNA-ERNAGA EVELIN 8500 BISCAYNE BLVD D424, 33138
8295083 MARCH ALEXUS 1826 NW 93 ST, 33147
8650419 LUNA-ERNAGA NAHIR 8500 BISCAYNE BLVD D424, 33138
0194823 MARTINEZ YURIDIA 3425 COLLINS AVE 429, 33140
0044679 BARREZUETA LUIS 520 76 ST 2, 33141
0178993 BOADO DAYANA 7712 BYRON AVE 4, 33141
8333156 DAPIAGGI MATIAS 1865 KENNEDY CAUSEWAY 9H, 33141
8066757 DAVIS TIERRA 2970 NW 65 ST, 33147
9569081 DELACRUZ ANTHONY 7905 EAST DRIVE 12A, 33141
9677793 DIAZ NADIA 321 S SHORE DRIVE 12, 33141
9939400 FRESIA ADRIAN 7755 TATUM WATERWAY DR 8, 33141
7802433 GARCIA JESSENIA 145 NORTH SHORE DRIVE 1, 33141
9473456 GONZALEZ SASHA 601 74TH ST 3, 33141
7806378 GUERRA NIURKA 640 85 ST 3, 33141
7120520 GUERRA WILLIAM 640 85 ST 3, 33141
0255311 GUY SEAN 1240 14 ST 5, 33139
9570054 GUZMAN KARLA 7545 E TREASURE DR A1, 33141
9509524 HERNANDEZ SARAH 7525 E TREASURE DRIVE 5E, 33141
9331232 HORTA CYNTHIA 7231 WAYNE AVE 77, 33141
0029063 HOYOS ROBEBY 2006 CALAIS DR 1, 33141
0001392 IZADI SAMIR 7552 BOUNTY AVE, 33141
6879152 LOUISSAINT JORHON 2321 NW 59 ST, 33142
0025227 MENDEZ PAULINA 321 83 ST 6-A, 33141
0147146 MUNIZ NICOLE 775 84 ST 4, 33141
0201539 RIVERO YUNIOR 7241 WAYNE AVE 67, 33141
3329944 RODRIGUEZ YOANA 7710 TATUM WATERWAY DR 3, 33141
0016390 SILVERIO DAVID 7821 CARLYLE AVE 1, 33141
6451223 ALONSO BRENDA 720 83 ST 4, 33141
8980220 BARNETT SHANE 5151 COLLINS AVE 523, 33140
0638603 BLANDON EDDY 6330 PINE TREE DR 8, 33141
0061674 CABRERA DANNY 5161 COLLINS AVE 212, 33140
7017389 CALDERIN GILBERTO 825 W 40 ST 4, 33140
6447793 FALCON SANTINA 235 78 STREET 14, 33141
6955431 FLORES VIRGINIA 1035 6TH ST 4, 33139
7005227 FRANCISCO STEPHANIE 7809 TATUM WATERWAY DR 4, 33141
6750352 GUTIERREZ ADAMS 9354 E BAY HARBOR DR, 33154
8452972 HARRISON AYDA 1000 BAY DR 10A, 33141
6745808 MARRERO-RIVAS DASHIRA 1130 MARSEILLE DR 2B, 33141
9904720 MULLER FLORENCE 5151 COLLINS AVE 530, 33140
0148197 NAJARRO-SAGRE INDIRA 1865 79 STREET CSWY 7N, 33141
6485496 RODRIGUEZ RUBY 760 81 ST 1, 33141
8253966 RUEDA BRIANA 701 82ND ST, 33141
7750111 STOUT DOMINIC 17000 N BAY RD, 33160

5340732 VALENTE MARIALEJAN 7635 BYRON AVENUE 4, 33141
6731683 VARGAS CARLOS 1165 NE 126 ST, 33161
0053639 WOLFF-SACKS ARIELLE 255 COLLINS AVE PH-1, 33139
6494976 TAYLOR THYSHAREE 1160 NW 105 ST, 33150
0028095 HEBBERT SIDNEY 260 NW 38 CT SIDE, 33126
0291797 CONTRERAS DARLIN 2025 BAY DR 8, 33141
0291798 KINSER DANIEL 127 NE 88TH ST, 33138
0291799 BARRERA JORGE 7640 CARLYLE AVE AB, 33141
6491724 MINNOTT CHANTEL 1979 NW 5 PL, 33136
0300291 RODRIGUEZ LORENA 8010 TATUM WATERWAY DR 4, 33141


Florida Department of Education

 Log out
 School Year
 2008 -
 2009

National School Lunch Program
 01-0488 Charter on The Beach Middle School

Applications **Claims** **Reports** **Security** **Reviews** **Sponsors**

Applications > Sponsor Profile:

[View Sponsor's Profile](#)

Sponsor Information

Sponsor Name	Charter on The Beach Middle School
Agreement Number	01-0488
Federal Identification No. (FEID)	870732477
Journal Transfer Number	C870732477

Program Information

Sponsor will operate in the following programs: NSLP SMP SFSP SSP

Sponsor Payment Information

Suspend Payments	NSLP	<input type="radio"/> Yes	<input checked="" type="radio"/> No
	SMP	<input type="radio"/> Yes	<input checked="" type="radio"/> No
	SFSP/SWP	<input type="radio"/> Yes	<input checked="" type="radio"/> No
Payment Type	Other		

Sponsor Claim Reporting Level

Claim Reporting	NSLP	<input type="radio"/> Sponsor	<input checked="" type="radio"/> Site
	SMP	<input type="radio"/> Sponsor	<input checked="" type="radio"/> Site
	SFSP/SWP	<input type="radio"/> Sponsor	<input checked="" type="radio"/> Site

Sponsor Payment Address

Address 1:	1211 Marseille Drive		
Address 2:			
City:	Miami Beach	State:	FL
		Zip:	33141

Status

Sponsor status is:	Active
--------------------	--------

[< Sponsor Options](#) [Back to Sponsor's Information.](#)

STATE OF FLORIDA
DEPARTMENT OF FINANCIAL SERVICES
REMITTANCE ADVICE

4-11-08

FLAIR ACCOUNT CODE 48-202315001-48250500-00-051111300	OLO 480000	SITE 00	DOCUMENT NUMBER D9000224522	OBJECT 7200	DATE 10/17/08	PAYMENT NO 0417519
--	---------------	------------	--------------------------------	----------------	------------------	-----------------------

PAYMENT AMOUNT \$ 3,384.93

|||...|||
CHARTER ON THE BEACH MIDDLE SCH
1211 MARSEILLE DRIVE
MIAMI BEACH FL 33141

AGENCY DOCUMENT NO V004412

PLEASE DIRECT QUESTIONS TO: (850) 245-0401, DEPARTMENT OF EDUCATION

VENDORS NOW CAN VIEW PAYMENT INFORMATION AT [HTTP://FLAIR.DBF.STATE.FL.US](http://FLAIR.DBF.STATE.FL.US)

INVOICE NUMBER	AMOUNT
F&NO10488	\$ 3,384.93

DETACH CAREFULLY AND RETAIN FOR YOUR RECORDS BEFORE CASHING OR DEPOSITING THE WARRANT

STATE OF FLORIDA
DEPARTMENT OF FINANCIAL SERVICES
REMITTANCE ADVICE

4-111 0000 300

FLAIR ACCOUNT CODE	OLO	SITE	DOCUMENT NUMBER	OBJECT	DATE	PAYMENT NO
48-202315001-48250500-00-05111300	480000	00	D9000212672	7200	10/14/08	0398562

PAYMENT AMOUNT \$ 1,496.88



CHARTER ON THE BEACH MIDDLE SCH
 1211 MARSEILLE DRIVE
 MIAMI BEACH FL 33141


AGENCY DOCUMENT NO V004175

PLEASE DIRECT QUESTIONS TO: (850) 245-0401, DEPARTMENT OF EDUCATION

VENDORS NOW CAN VIEW PAYMENT INFORMATION AT [HTTP://FLAIR.DBF.STATE.FL.US](http://FLAIR.DBF.STATE.FL.US)

INVOICE NUMBER	AMOUNT
-----	-----
F&NO10488	\$ 1,496.88

DETACH CAREFULLY AND RETAIN FOR YOUR RECORDS BEFORE CASHING OR DEPOSITING THE WARRANT



Florida Department of Education

01-0488 Charter on The Beach Middle School

National School Lunch Program

School Year
2008 - 2009

Applications
Claims
Reports
Security
Reviews
Sponsors

Claims > Claim Entry:

NSLP Sponsor Claim Summary

Agreement Number 01-0488	Sponsor Name Charter on The Beach Middle School	Address and Contact 1211 Marseille Drive Miami Beach, FL 33141 Martha Fernandez 786-629-6200
------------------------------------	---	--


Claim Month: **August 2008** Revision: **0**

Lunch	Meals	Rate	Earning(s)
Free	512	2.5700	\$1,315.84
Reduced	80	2.1700	\$173.60
Paid	31	0.2400	\$7.44
Total	623	n/a	\$1,496.88

Claim Total	\$1,496.88
Schedule Number	A8-00737

Claim Earning Totals		
Description	Previous Earning(s)	Earning Total
Claim Total	\$0.00	\$1,496.88

[< Back](#) [Back to Claim Month Summary Details.](#)



Florida Department of Education

01-0488 Charter on The Beach Middle School

National School Lunch Program

School Year
2008 -
2009

Applications
Claims
Reports
Security
Reviews
Sponsors

Claims > Claim Entry:

NSLP Sponsor Claim Summary

Agreement Number	Sponsor Name	Address and Contact
01-0488	Charter on The Beach Middle School	1211 Marseille Drive Miami Beach, FL 33141 Martha Fernandez 786-629-6200

Claim Month: **October 2008** Revision: **0**

Lunch	Meals	Rate	Earning(s)
Free	1377	2.5700	\$3,538.89
Reduced	216	2.1700	\$468.72
Paid	71	0.2400	\$17.04
Total	1664	n/a	\$4,024.65

Claim Total \$4,024.65
Schedule Number

Description	Claim Earning Totals Previous Earning(s)	Earning Total
Claim Total	\$0.00	\$4,024.65

[Show Site Meal Details](#)

[< Back](#) Back to Claim Month Summary Details.

David D. Gamache
Edward J. Myers
James E. Mueller
Drew H. Davis**
Mary K. Mazanec
Craig A. Overstreet
Mark A. Waller**
Raymond D. Bezarth
Sara A. Monks
Donald A. Horowitz
Donald C. Hippert*

Law Offices

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Missouri Of Counsel
Mayer S. Klein, Member of
Frankel, Dulan, Bond, Dulan, Seigel & Klein,
P.C.

October 27, 2008

SEND ALL CORRESPONDENCE TO ST. LOUIS MO OFFICE

* Licensed in Arkansas
** Licensed in Arkansas & Missouri

CHARTER ON THE BEACH MIDDLE SCHOOL
910 BAY DR APT 17
MIAMI BEACH FL 33141

RE: BANK OF AMERICA, N.A.

OUR FILE NO.: 08913083

Dear Sir/Madam:

In reviewing your account today, there appears to be an **unpaid balance** of \$2,904.14.

Our client would be willing to **settle** your account for \$1,452.07, provided this amount is paid **within 10 days** from the date of this letter. We are not obligated to renew this offer.

If you are unable to pay the above settlement, please call us at the telephone number shown above **within 10 days** to discuss payment options.

Sincerely yours,

GAMACHE & MYERS, P.C.

By: _____
DAVID R. GAMACHE

D357/LMA
File #: 08913083

"THIS COMMUNICATION IS FROM A DEBT COLLECTOR, IN AN ATTEMPT TO COLLECT A DEBT AND ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE."

IMPORTANT NOTICE

FREDERICK J. HANNA & ASSOCIATES, P.C.

Attorneys at Law

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* ROBERT A. WINTER
* ADMITTED: GA, MO, FL
** A. RANDALL KNOPP
** ADMITTED: MO, IL
JOSEPH C. COOLING
SCOT W. GROGHAN

November 5, 2008

CHARTER ON THE BEACH
1211 MARSEILLE DRIVE
MIAMI BEACH FL 33141-2815

Re: BANK OF AMERICA, N.A.
Reference: 4192000004423950
Related Act#:
Balance: \$4,787.96
File No: 08364053

Dear CHARTER ON THE BEACH:

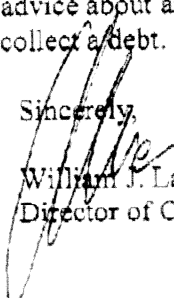
This letter is in response to your conversation with this office on November 5, 2008, regarding the above mentioned debt. Please be advised my client has authorized this office to accept a total of \$1,600.00 as full settlement of this account. Since this adjustment represents a substantial reduction of this account, we must add the following stipulations to the proposed settlement agreement:

1. There will be (3) payments.
2. The first payment of \$100.00 must be received November 20, 2008; the second of \$750.00 must be received by December 20, 2008, and your final payment of \$750.00 must be received by January 23, 2009.

This settlement offer will become null and void if you fail to honor any of these stipulations. Your balance will revert back to its original amount, minus any payments paid thereon. Make payments payable to BANK OF AMERICA, N.A. and write your account number on the cashier's check or money order only.

My client may be required by law to report this settlement to one or more taxing authorities. The client makes no representation about tax consequences this may have or any reporting requirements that may be imposed on them. You should consult independent tax counsel of your own choosing if you desire advice about any tax consequences which may result from this settlement. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

Sincerely,


William J. Lau
Director of Operations

HOURS OF OPERATION ARE: MONDAY-FRIDAY 8AM-9PM EST
AND SATURDAY 8AM-1PM EST

" THIS IS A COMMUNICATION FROM A DEBT COLLECTOR "

CHARTER ON THE BEACH MIDDLE SCHOOL, INC.

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

October 27, 2008

At 6:00PM on this date, in the premises of the CHARTER ON THE BEACH MIDDLE SCHOOL, INC., (hereinafter, "the School") located on 1211-1219 Marseille Drive, Miami Beach, Florida 33141, pursuant to a Notice of Meeting given, communicated and/or sent to the current Directors, the Board of Directors met and the following are the minutes of the meeting:

- a) Attendance: Directors Pablo Landi, Calixto Navarro and Diego Ramirez were present. They represent three fourths of the current Directors and therefore there was Quorum. Ms. Gladys Palacio, Principal of the School was also present.
- b) Diego Ramirez was appointed Secretary of the Board and he accepted the appointment.
- c) The board unanimously decided to expand its membership to 7 members. The new composition will be as follows (additional offices held will appear in front of the name of the Director):
 - 1- Pablo Landi
 - 2- Eduardo Gómez (treasurer)
 - 3- Calixto Navarro
 - 4- Emily Beech
 - 5- Gretchen Ellis
 - 6- Sabrina Pastor
 - 7- Diego Ramirez (secretary)

For these purposes it was agreed that Gladys Palacio will contact Ms. Emily Beech, Ms. Gretchen and Ms. Sabrina.

- d) The Board will attend Board training before December 31, 2008. For that purpose ms. Gladys Palacio will inform the members of the available opportunities. One such opportunity may be November 8, 2008 at the same time with another School. Otherwise, the Board may choose to be trained via Webinar.
- e) Ms. Palacio informed the Board that on Wednesday October 22, 2008 the Compliance Meeting had taken place and the result was satisfactory.
- f) A fundraiser for December was proposed. No vote was taken on this matter yet.
- g) Ms. Palacio informed the Board of the communication dated October 14, 2008 received from the Miami-Dade county School Board which acknowledged receipt

of the School's audited financial statements, made recommendations, found the School to be in financial Emergency and gave a period of 30 days for the School to submit a response and plan to recover from the emergency.

Ms. Palacio informed the Board that the financial statements had been prepared taking into account financial information that was valid at the time the statements were prepared, but that conditions have materially improved since then. Currently there are substantial savings, efficiencies and additional income that will allow the School to contain and solve the current emergency.

Specifically:

- 1- New income consists of the doubled FTE and the rent derived from rental of School space.
- 2- Savings and efficiencies consist of lunch reimbursement and lower cost of transportation per student.

A report will be drafted by Ms. Palacio and Mr. Ramirez, with the help the accountant. The Miami-Dade School Board will also be contacted in order to request their input on the kind of information required when the Financial Recovery Plan is submitted.

- h) The Board listened to the Principal's report on the hiring of INP Accounting Services, a firm whose services has been instrumental in bringing the Scholl's financial records up to date and up to standard. It is worth noticing that this improvement directly addresses one of the concerns raised by the Auditors Report. The Board ratified the decision of the Principal to retain Messrs. INP Accounting Services.
- i) Likewise, the Board listened to the Principal's report on measures taken to back-up our financial records. It was noted that INP Accounting Services is also in charge of keeping off-site, current copies of the School's records. However, the School also keeps a current copy and back up. The Board notes that these measures directly address the concern raised by the Auditors Report. The Board ratified the decision of the Principal to retain Messrs. INP Accounting Services for the purposes of maintaining current back-ups of the School's financial records.
- j) The Board also took notice of the concern raised in the Auditors report about the need for levels of authority for writing checks and large checks. The Board noted the suggestion that checks over \$5,000 should require two signatures. However, the Board considered that the Principal requires more leeway. Therefore, the Board of Directors resolved that there will be two levels of authority for writing checks:
 - 1- Checks for seven thousand dollars (\$7,000.00) or less can be signed by The Principal and require only her signature.
 - 2- Checks for amounts above seven thousand dollars (\$7,000.00) require two (2) signatures. The Principal and any one Director can sign these checks

- 3- **Except that** checks for payment of the monthly rent, up to eleven thousand dollars (\$11,000.00) can be written by the Principal and require only her signature.

The Principal is directed to make the arrangements with the bank in order for this resolution to be enforced by them.

- k) In the next meeting of the Board, Budget will be discussed.
- l) A proposal to consider buying the building was deferred until the Financial Recovery Plan and the Budget have been fully discussed and are being applied.
- m) The next meeting of the Board will be on Saturday November 8, 2008 starting at 10:00 AM in the School's premises.

At this point the meeting was adjourned.

Given on this 27th day of October 2008, at 8:00 PM.



Diego Ramirez
Director / Secretary