



# Miami-Dade County Public Schools

*giving our students the world*

Superintendent of Schools  
Alberto M. Carvalho

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October 7, 2008

The Honorable Chair and Members of the  
Sandor Wiener School of Opportunity – South Board  
11025 SW 84 Street, Bldg. 5  
Miami, FL 33173

**VIA FACSIMILE & U.S. MAIL**  
**305-279-2922**

**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 an unrestricted net assets deficit of \$135,937, and there does not appear to be sufficient resources available to cover this deficit. Also, the school's financial condition worsened during 2007-08, contrary to its 2007 financial recovery plan dated November 8, 2007. 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](http://www.mca.dadeschools.net)

Additionally, your external auditors cited a significant control deficiency related to the posting of year end adjusting journal entries and a management letter finding related to cash disbursements.

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 Sandor Wiener School of Opportunity – South 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 note, the Capital Outlay Plan which you have submitted to the District requires our District Finance Officer to certify that the school "has financial stability for future operation as a charter school." We will be unable to approve your capital outlay plan until a satisfactory financial recovery plan has been received.

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. 2<sup>nd</sup> 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.

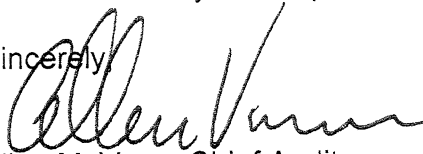
Should you have any questions, please call Mr. Trevor L. Williams at 305-995-1328 or Mr. Jon Goodman at 305-995-1323. Thank you in advance for your cooperation.

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  
Mr. Freddie Woodson  
Ms. Ofelia San Pedro  
Mr. Luis Garcia

Mr. Michael Bell  
Ms. Melinda McNichols  
Ms. Connie Pou  
Ms. Judith Marte

Ms. Ellen O. Wright  
Ms. Tiffanie Pauline  
Ms. Margarita Betancourt



**SANDOR WIENER SCHOOL  
OF OPPORTUNITY, SOUTH**  
(A COMPONENT UNIT OF THE PUBLIC SCHOOL  
BOARD OF MIAMI-DADE COUNTY, FLORIDA)

**BASIC FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION**

June 30, 2008



SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION  
June 30, 2008

TABLE OF CONTENTS

BASIC FINANCIAL STATEMENTS

	<u>PAGES</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis (Not Covered by Independent Auditors' Report)	3-6
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet - Governmental Fund	9
Statement of Revenues, Expenditures and Change in Fund Balance (Deficit) - Governmental Fund	10
Notes to Basic Financial Statements	11-16

REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedule - General Fund	17
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OTHER AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	18-19
Independent Auditors' Report to the Board of Directors	20-21
Schedule of Findings and Management's Responses	22

BASIC  
FINANCIAL STATEMENTS



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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Sandor Wiener School of Opportunity, South  
Miami, Florida

We have audited the accompanying basic financial statements of the governmental activities and the General Fund of Sandor Wiener School of Opportunity, South (a component unit of the Public School Board of Miami-Dade County, Florida and a department of Sandor Wiener School of Opportunity, Inc.), as of and for the year ended June 30, 2008, which collectively comprise the School's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Sandor Wiener School of Opportunity, South's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and 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 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.

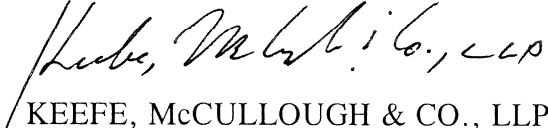
As discussed in Note 1, the financial statements of Sandor Wiener School of Opportunity, South, a department of Sandor Wiener School of Opportunity, Inc., are intended to present the financial position and changes in financial position of only that portion of the governmental activities, and the General Fund of Sandor Wiener School of Opportunity, Inc., that is attributable to the transactions of Sandor Wiener School of Opportunity, South. They do not purport to, and do not, present fairly the financial position of Sandor Wiener School of Opportunity, Inc. as of June 30, 2008, and its change in financial position or budgetary comparison, where applicable, for the year ended June 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of Sandor Wiener School of Opportunity, South as of June 30, 2008, and the change in financial position for the year 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 4, 2008 on our consideration of Sandor Wiener School of Opportunity, South's internal control over financial reporting and 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 on pages 3 through 6 is not a required part of the basic financial statements, but is 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 supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the School's basic financial statements. The budgetary comparison schedule - General Fund on page 17 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
September 4, 2008

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2008

Our discussion and analysis of Sandor Wiener School of Opportunity, South's (the "School") financial performance provides an overview of the School's financial activities for the years ended June 30, 2008 and 2007. Please read it in conjunction with the School's financial statements, which immediately follow this discussion.

**FINANCIAL HIGHLIGHTS**

The following are the highlights of financial activity for the year ended June 30, 2008:

- The School's total net assets exceeded its liabilities at June 30, 2008 by \$ 28,717.
- The School's total revenues were \$ 636,573, \$ 377,250 from FTE revenues, \$ 250,095 from operating grants and contributions, insurance proceeds of \$ 27,214, and \$ 3,600 from donations, less a loss on disposition of capital assets of \$ 21,586. The School's expenses for the year were \$ 738,059. Net assets decreased by \$ 101,486.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other required supplemental information in addition to the basic financial statements.

**Government-wide financial statements:**

The government-wide financial statements, which consists of the following two statements, are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the School's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, 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 7 and 8 of this report.

**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. The School only has one category of funds - 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 balances of spendable resources available at the end of the year. Such information may be useful in evaluating the School's near-term financing requirements.

**SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2008**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balance (deficit) provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 9 and 10 of this report.

**Notes to basic financial statements:**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 11 through 16 of this report.

**Other information:**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the School's General Fund adopted budget to actual results. Required supplemental information can be found on page 17 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net assets as of June 30, 2008 and 2007:

Sandor Wiener School of Opportunity, South Statements of Net Assets		
	<u>2008</u>	<u>2007</u>
CURRENT ASSETS	\$ 37,441	\$ 41,790
NONCURRENT ASSETS	<u>164,654</u>	<u>201,983</u>
Total assets	<u>\$ 202,095</u>	<u>\$ 243,773</u>
LIABILITIES	\$ <u>173,378</u>	\$ <u>113,570</u>
CONTINGENCIES AND COMMITMENTS	--	--
NET ASSETS:		
Invested in capital assets	164,654	201,983
Unrestricted (deficit)	<u>(135,937)</u>	<u>(71,780)</u>
Total net assets	<u>28,717</u>	<u>130,203</u>
Total liabilities and net assets	<u>\$ 202,095</u>	<u>\$ 243,773</u>

**SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 June 30, 2008

A portion of the School's net assets reflect its investment in capital assets, less any related outstanding debt used to acquire those assets. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of related debt (if any), it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2008 and 2007, the School had no restricted assets.

As reflected below, net assets decreased \$ 101,486 as summarized in the following table:

Sandor Wiener School of Opportunity, South Statements of Changes in Net Assets		
	<u>2008</u>	<u>2007</u>
<b>REVENUES:</b>		
General revenues	\$ 386,478	\$ 407,837
Program revenues:		
Operating grants and contributions	<u>250,095</u>	<u>424,338</u>
Total revenues	<u>636,573</u>	<u>832,175</u>
<b>EXPENSES:</b>		
Instruction	565,704	593,176
Operation of plant	64,045	60,318
Pupil transportation services	46,960	44,320
Fiscal services	31,201	19,808
Administration	30,149	60,523
Board	<u>--</u>	<u>15,241</u>
Total expenses	<u>738,059</u>	<u>793,386</u>
Change in net assets	(101,486)	38,789
NET ASSETS, beginning of year	<u>130,203</u>	<u>91,414</u>
NET ASSETS, end of year	\$ <u><u>28,717</u></u>	\$ <u><u>130,203</u></u>

**FINANCIAL ANALYSIS OF THE SCHOOL'S FUND**

As noted earlier, the School uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unreserved fund balance, if any, may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no amendments to the June 30, 2008 budget and revenues and expenditures were both under the adopted budget for the year.



**SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2008**

**CAPITAL ASSET ADMINISTRATION**

The School's investment in capital assets as of June 30, 2008 amounts to \$ 164,654 net of accumulated depreciation. This investment in capital assets is composed of leasehold improvements, furniture and equipment and computer equipment. A more detailed analysis is provided in Note 5 on pages 14 and 15.

**ECONOMIC FACTORS**

Facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the School in the year 2008/2009 include:

- Continued marketing has reflected an increase of 50% of student enrollment for FY 2008/2009.
- The increased student enrollment will enhance revenue to the program while maintaining other fixed costs.
- An adjustment of students' matrix levels was performed by MDCPS and will reflect an increasing o funding in the school's FEFP distribution of funds for the FY 2008/2009.
- Additional revenues from proceeding year's adjustment of students' matrix level is anticipated to be received in the fall of 2008/2009.
- Reduced school insurance expenses by increasing benefit cost sharing to the employees.
- School management has joined a statewide approved not-for-profit insurance trust which has resulted in additional savings.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of Sandor Wiener School of Opportunity, South's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Sandor Wiener School of Opportunity, Inc.; 5555 Biscayne Boulevard, Third Floor; Miami, FL 33137.

SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
STATEMENT OF NET ASSETS  
June 30, 2008

A S S E T S

CURRENT ASSETS:

Cash	\$	21,644
Prepaid expenses		2,407
Deposits		1,401
Due from related party		<u>11,989</u>
Total current assets		<u>37,441</u>

NONCURRENT ASSETS:

Capital assets, depreciable		203,002
Less: accumulated depreciation		<u>38,348</u>
Total noncurrent assets		<u>164,654</u>
Total assets	\$	<u><u>202,095</u></u>

L I A B I L I T I E S   A N D   N E T   A S S E T S

LIABILITIES:

Accounts payable	\$	2,900
Accrued liabilities		24,325
Due to related party		<u>146,153</u>
Total liabilities		<u>173,378</u>

CONTINGENCIES AND COMMITMENTS (Note 6)

--

NET ASSETS:

Invested in capital assets		164,654
Unrestricted (deficit)		<u>(135,937)</u>
Total net assets		<u>28,717</u>
Total liabilities and net assets	\$	<u><u>202,095</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2008

		Program Revenues			Governmental Activities
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Assets	
<b>FUNCTIONS/PROGRAMS:</b>					
Governmental activities:					
Instruction	\$ 565,704	\$ --	\$ 250,095	\$ --	\$ (315,609)
Operation of facility	64,045	--	--	--	(64,045)
Pupil transportation services	46,960	--	--	--	(46,960)
Fiscal services	31,201	--	--	--	(31,201)
Administration	30,149	--	--	--	(30,149)
 Total governmental activities	 \$ 738,059	 \$ --	 \$ 250,095	 \$ --	 (487,964)
 General revenues:					
FTE nonspecific revenues					377,250
Insurance proceeds					27,214
Donations					3,600
Loss on disposition of capital assets					(21,586)
		Total general revenues			386,478
		Change in net assets			(101,486)
		Net assets , July 1, 2007			130,203
		Net assets, June 30, 2008			\$ 28,717

The accompanying notes to basic financial statements are an integral part of these statements.

SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
BALANCE SHEET - GOVERNMENTAL FUND  
June 30, 2008

A S S E T S

		General Fund
ASSETS:		
Cash	\$	21,644
Prepaid expenditures		2,407
Deposits		1,401
Due from related party		11,989
Total assets	\$	37,441

L I A B I L I T I E S   A N D   F U N D   B A L A N C E ( D E F I C I T )

LIABILITIES:		
Accounts payable	\$	2,900
Accrued liabilities		24,325
Due to related party		146,153
Total liabilities		173,378

CONTINGENCIES AND COMMITMENTS (Note 6) --

FUND BALANCE (DEFICIT):		
Reserved for prepaid expenditures		2,407
Unreserved (deficit)		(138,344)
Total fund balance (deficit), page 10		(135,937)
Total liabilities and fund balance (deficit)	\$	37,441

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET ASSETS:

Governmental fund balance (deficit), page 10 \$ (135,937)

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund.

Cost of capital assets	\$	203,002	
Accumulated depreciation		(38,348)	164,654

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 7 \$ 28,717

The accompanying notes to basic financial statements are an integral part of these statements.

SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE  
IN FUND BALANCE (DEFICIT) - GOVERNMENTAL FUND  
For the Year Ended June 30, 2008

	<u>General Fund</u>
REVENUES:	
State sources	\$ 377,250
Local sources	<u>280,909</u>
Total revenues	<u>658,159</u>
EXPENDITURES:	
Current:	
Instruction	565,704
Pupil transportation services	46,960
Operation of facility	43,394
Fiscal services	31,201
Administration	30,149
Capital outlay	<u>4,908</u>
Total expenditures	<u>722,316</u>
Change in fund balance	(64,157)
FUND BALANCE (DEFICIT), July 1, 2007	<u>(71,780)</u>
FUND BALANCE (DEFICIT), June 30, 2008	\$ <u><u>(135,937)</u></u>
NET CHANGE IN FUND BALANCE (DEFICIT) - GOVERNMENTAL FUND:	\$ (64,157)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimated useful lives as a provision for depreciation.	
Expenditures for capital assets	\$ 4,908
Provision for depreciation	(20,652)
Loss on disposition of capital assets	<u>(21,585)</u>
	<u>(37,329)</u>
CHANGE IN NET ASSETS ON THE STATEMENT OF ACTIVITIES, PAGE 8	\$ <u><u>(101,486)</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008

NOTE 1 - ORGANIZATION AND OPERATIONS

Sandor Wiener School of Opportunity, South (the "School"), is a department of the Sandor Wiener School of Opportunity, Inc., which is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The School is also a component unit of the Public School Board of Miami-Dade County, Florida. The School commenced operations in August 2005 and now offers classes for pre-kindergarten through fifth grade, in the City of Miami, Florida. The School has twenty-one students currently enrolled.

The financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of Sandor Wiener School of Opportunity, Inc. as of June 30, 2008, and its change in financial position or budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity:

The School operates under a charter granted by the sponsoring school district, the Public School Board of Miami-Dade County, Florida (the "District"). The current charter is effective until June 30, 2010. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the Miami-Dade County Public School District.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable which would require inclusion in the School's financial statements.

Basis of presentation:

Based on the contractual provisions within the School's contract with the Miami-Dade County Public School District and the provisions of the Florida Statutes, the School is presented as a governmental organization for financial reporting purposes.

Basic financial statements - government-wide statements:

The School's financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the School's activities are classified as governmental activities.

SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations, if any. The School's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. As of June 30, 2008, all of the School's net assets were classified as:

Invested in capital assets	\$	164,654
Unrestricted (deficit)		<u>(135,937)</u>
	\$	<u>28,717</u>

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The net costs, by function, are also supported by general revenues (unrestricted contributions, investment earnings, miscellaneous revenue, etc.). The statement of activities reduces gross expenses (including the provision for depreciation) by related program revenues, contributions, and operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

This government-wide focus is more on the ability to sustain the School as an entity and the change in the School's net assets resulting from the current year's activities.

Basic financial statements - fund financial statements:

The accounts of the School are organized on the basis of funds. The operations of the only fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

The General Fund is employed in accounting for all the financial activities of the School. It is a governmental fund type and is used to account for all financial transactions of the School.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets:

Net assets are classified in three categories. The general meaning of each is as follows:

Invested in capital assets, net of related debt - represents the difference between the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets (if any).

Restricted net assets - consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

Unrestricted - indicates that portion of net assets (deficit) that will need to be funded by future operations.

SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund balance:

Fund balance is classified in two categories. The general meaning of each is as follows:

Reserved - indicates the portion of fund balance not available for appropriation in subsequent periods or is legally segregated for a specific future use. These amounts do not represent available spendable resources.

Unreserved - indicates the portion of fund balance (deficit) that will need to be funded by future operations.

Measurement focus and basis of accounting:

The basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statement uses the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the current period is defined as sixty days.

Capital assets:

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair market value as of the date received. Additions, improvements, and other expenditures that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. Other costs for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the capital assets estimated useful lives as follows:

Leasehold improvements	30 years
Furniture and equipment	5 years
Computer equipment	5 years

Grant and contract revenue:

Grant and contract revenue is recognized when the allowable costs as defined by the individual grant or contract are incurred.



SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unearned/deferred revenue:

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Deferred revenues, also known as unearned revenue, at the government-wide level, arise only when the School receives resources before it has a legal claim to them.

Compensated absences:

The School's policy allows certain employees to carry over three weeks of vacation per fiscal year. Unused sick leave benefits are not paid upon separation from service. No liability for compensated absences was recorded for the year ending June 30, 2008.

NOTE 3 - BUDGET

The School formally adopted a budget for the General Fund by function for the year ended June 30, 2008. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. A comparison of actual results of operations to the budgeted amounts for the General Fund is presented as required supplemental information.

NOTE 4 - DEPOSITS

At June 30, 2008, the total carrying amount of the School's cash balances was \$ 21,644. The bank balance at local depositories was \$ 33,996, which is insured by the FDIC.

NOTE 5 - CAPITAL ASSETS

A summary of changes in governmental capital assets is as follows:

	Balance, July 1, 2007	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, 2008
Capital assets, depreciable:				
Leasehold improvements	\$ 142,273	\$ 2,050	\$ --	\$ 144,323
Furniture and equipment	58,770	2,858	8,728	52,900
Computer equipment	<u>27,208</u>	<u>--</u>	<u>21,429</u>	<u>5,779</u>
Total capital assets, depreciable	<u>228,251</u>	<u>4,908</u>	<u>30,157</u>	<u>203,002</u>
Accumulated depreciation:				
Leasehold improvements	6,173	5,011	--	11,184
Furniture and equipment	14,765	12,294	2,731	24,328
Computer equipment	<u>5,330</u>	<u>3,347</u>	<u>5,841</u>	<u>2,836</u>
Total accumulated depreciation	<u>26,268</u>	<u>20,652</u>	<u>8,572</u>	<u>38,348</u>
Net capital assets	\$ <u>201,983</u>	\$ <u>(15,744)</u>	\$ <u>21,585</u>	\$ <u>164,654</u>

SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008

NOTE 5 - CAPITAL ASSETS (continued)

The provision for depreciation for the year ended June 30, 2008, amounted to \$ 20,652. The School allocated 100% of the depreciation to the operation of the facility.

As part of the School's charter contract, all capital assets purchased with public funds will automatically revert to the District School Board upon the non-renewal or termination of the contract.

NOTE 6 - CONTINGENCIES AND COMMITMENTS

Grant agreements:

The School received financial assistance from federal and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Florida Single Audit Act, the School is not required to conduct "single audits" since the required threshold for federal awards and state financial assistance is currently \$ 500,000 and the School did not exceed such threshold.

Lease commitment:

The School entered into an operating lease for the rental of its facility with monthly payments at \$ 848 through February 2010. The lease contains no renewal options. Total expense in connection with the facility lease amounted to \$ 10,195 for the year ended June 30, 2008.

Future lease payments are approximately as follows:

<u>Year Ending</u> <u>September 30,</u>	
2009	\$ 10,200
2010	6,800
Thereafter	NONE

Post retirement benefits:

The School offers no post retirement benefits to its employees.

NOTE 7 - RELATED PARTY TRANSACTIONS

The School is related to Association for Retarded Citizens, South Florida, Inc. (the "Association") through common board members and management. During the year, the Association paid for various operating expenses on behalf of the School. In addition, the Association has charged the School an administrative fee in the amount of \$ 44,760 for support services related to the operation of the School. The Association also collected and remitted certain Medicaid revenues earned by the School in the amount of \$ 52,795 for the year ended June 30, 2008. As of June 30, 2008, the School owed the Association \$ 146,153 relating to the administration fee, initial capital outlay, and other transactions described above.

SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008

NOTE 7 - RELATED PARTY TRANSACTIONS (continued)

The School is also related to the Sandor Wiener School of Opportunity, North ("North") and it is being operated under the same not-for-profit organization, Sandor Wiener School of Opportunity, Inc. Certain transactions are received by one school, which may relate to both schools. These amounts are then allocated to the appropriate school. These types of transactions create a due to/from accounts payable/receivable to North. As of June 30, 2008, the School was owed \$ 11,989 from North relating to those transactions.

NOTE 8 - INCOME TAXES

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

NOTE 9 - RISK FINANCING

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets and natural disasters. The School has obtained property insurance from commercial companies including, but not limited to, general liability and errors and omissions insurance. There have been no claims in excess of insurance coverage limits during the current year.

NOTE 10 - FUND AND NET ASSETS DEFICITS

The School currently reports a fund deficit/unrestricted net asset (deficit) of \$ 135,937. The deficit is primarily caused by the purchasing of capital assets and administrative fees funded through a related party (Note 7). The School expects that future funding will not be necessary, as capital assets necessary to operate the School have been obtained. In addition, the School's related party has the financial ability to forgive the amount due to them if necessary. In addition, the School has started the 2008-2009 fiscal year with an increase in enrollment and a modified rate, increasing the amount that is earned by the School per enrolled student. Management believes that these two additional factors will enable the School to be a viable operating entity capable of sustaining itself.

In addition, the School has started the 2008/2009 fiscal year with an increase of student enrollment by 50% and a modified increase matrix rate for students based on their educational needs, increasing the amount that is earned by the School per enrolled student. Management believes that these two additional factors will enable the School to be a viable ongoing entity of sustaining itself.

- The School has experienced an increased enrollment of students by 50%, with fixed costs remaining the same.
- Additionally, students have received a higher matrix level, increasing School revenues through the FEFP distribution of funds based on each student's educational needs.
- Reduced School insurance expenses by increasing cost sharing of benefits to the employees.
- School management has joined a statewide approved not-for-profit insurance trust which has resulted in additional savings.
- School continues to make improvements by looking for opportunities to reduce general expenses and putting in place more efficient internal cost control systems.
- Marketing of the School continues with support from the parents and Board of Directors.

REQUIRED SUPPLEMENTAL  
INFORMATION

SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Operating revenues	\$ 774,353	\$ 774,353	\$ 558,397	\$ (215,956)
Medicaid	40,000	40,000	52,794	12,794
Miscellaneous income	--	--	43,368	43,368
Grants and contributions	<u>5,000</u>	<u>5,000</u>	<u>3,600</u>	<u>(1,400)</u>
Total revenues	<u>819,353</u>	<u>819,353</u>	<u>658,159</u>	<u>(161,194)</u>
 <b>EXPENDITURES:</b>				
Current:				
Salaries	335,100	335,100	195,871	139,229
Professional services	63,018	63,018	148,454	(85,436)
Therapy	119,370	119,370	116,537	2,833
Employee benefits	57,990	57,990	67,050	(9,060)
Administrative charges	78,763	78,763	63,084	15,679
Contracted bus transportation	43,200	43,200	46,960	(3,760)
Repairs and maintenance	16,714	16,714	19,610	(2,896)
Insurance	24,750	24,750	12,436	12,314
Utilities	11,664	11,664	12,390	(726)
Rentals	10,183	10,183	10,195	(12)
Student food service and supplies	10,592	10,592	8,652	1,940
Miscellaneous	120	120	4,671	(4,551)
Office expenses	10,565	10,565	4,472	6,093
Instructional support	5,940	5,940	4,309	1,631
Postage	--	--	2,065	(2,065)
Advertising	181	181	490	(309)
Travel	1,280	1,280	162	1,118
Capital outlay	<u>--</u>	<u>--</u>	<u>4,908</u>	<u>(4,908)</u>
Total expenditures	<u>789,430</u>	<u>789,430</u>	<u>722,316</u>	<u>67,114</u>
Change in fund balance (deficit)	29,923	29,923	(64,157)	(94,080)
 <b>FUND BALANCE (DEFICIT), July 1, 2007</b>				
	<u>--</u>	<u>--</u>	<u>(71,780)</u>	<u>(71,780)</u>
 <b>FUND BALANCE (DEFICIT), June 30, 2008</b>				
	\$ <u>29,923</u>	\$ <u>29,923</u>	\$ <u>(135,937)</u>	\$ <u>(165,860)</u>

# OTHER AUDITORS' REPORTS



**KEEFE, McCULLOUGH & CO., LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.  
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**INDEPENDENT AUDITORS' 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**

To the Board of Directors  
Sandor Wiener School of Opportunity, South  
Miami, Florida

We have audited the financial statements of governmental activities and the General Fund of Sandor Wiener School of Opportunity, South (the "School"), (a component unit of the Public School Board of Miami-Dade County, Florida and a department of Sandor Wiener School of Opportunity, Inc.) as of and for the year ended June 30, 2008, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 4, 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 the School'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 the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 the School'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 the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Management's Responses to be a significant deficiency in internal control over financial reporting (as referenced in 2008-1).

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 the School's internal control. Our consideration of the 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.

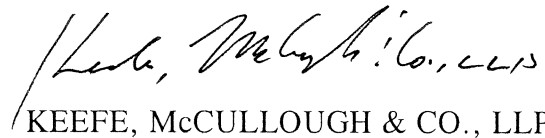
We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We did note another matter that we did not consider to be a significant deficiency, which is referenced on page 22 as Comment 2008-2.

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

  
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
September 4, 2008





**KEEFE, McCULLOUGH & CO., LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS**

To the Board of Directors  
Sandor Wiener School of Opportunity, South  
Miami, Florida


This letter is written in connection with our audit of the financial statements of Sandor Wiener School of Opportunity, South (a component unit of the Public School Board of Miami-Dade County, Florida and a department of Sandor Wiener School of Opportunity, Inc.), as of and for the year ended June 30, 2008. The purpose of this letter is to communicate to you any comments and recommendations, and to comply with the requirements of Chapter 10.850 Rules of the Auditor General Rule 10.854(1)(d).

The following statements relate to requirements of the Auditor General:

1. There were no inaccuracies, irregularities, shortages, defalcations, fraud and/or violations of laws, rules, regulations or contractual provisions reported for the preceding audit.
2. There were no recommendations made relating to the preceding audit.
3. The recommendations to improve the School's financial management are listed on the Schedule of Findings and Management's Responses on page 21.
4. There were no violations of laws, contracts, rules, or regulations discovered during our audit.
5. There were no illegal or improper expenditures discovered during our audit.
6. There were no other matters requiring correction discovered during our audit, relating to improper or inadequate accounting procedures, improperly recorded transactions, fraud, significant deficiencies or material weaknesses other than the significant deficiency denoted as 2008-1 on page 21.
7. As required by the Rules of the Auditor General (Section 10.854(1)(d)2), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes. In connection with our audit, we determined that the School did meet one of the conditions described in Section 218.503(1), Florida Statutes. The School currently has an unreserved fund deficit of \$ 138,344. This is disclosed in Note 10 to the financial statements of the School. The rules of the Auditor General also require that a statement be made, as to whether or not this condition is a result of deteriorating financial conditions. We believe that the financial emergency is a result of deteriorating financial conditions, primarily due to the lack of anticipated enrolled students and a past misclassification of special needs students, and the corresponding additional revenues, enrolled in the School. Management's plan to address this situation is disclosed in Note 10 to the financial statements.

Sandor Wiener School of Opportunity, South

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

  
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
September 4, 2008

SANDOR WIENER SCHOOL OF OPPORTUNITY, SOUTH  
SCHEDULE OF FINDINGS AND MANAGEMENT'S RESPONSES  
For the Year Ended June 30, 2008

PRIOR YEAR COMMENTS AND RECOMMENDATIONS

NONE

CURRENT YEAR COMMENTS AND RECOMMENDATIONS

**\*2008-1 POSTING OF YEAR END ADJUSTING JOURNAL ENTRIES**

Adjusting journal entries:

During our field work, we noted that a large portion of our adjusting entries proposed for the prior year were not posted to the School's general ledger. Such adjusting entries should be entered to insure the proper reporting of financial position in agreement with the prior year audited financial statements. We suggest that all journal entries recommended and approved by management be posted to the School's general ledger at year end.

Management's response:

We will post all year end entries proposed by the auditor on a timely basis.

**2008-2 CASH DISBURSEMENTS**

Required Executive Director's signature:

During our engagement, we noted that certain invoices did not contain the proper approval of the executive director as required by their internal control system procedures. As per their internal control system, all invoices should contain the director's approval, indicated by a signature on all invoices.

Management's response:

The School will provide for proper authorization in our process of disbursing cash disbursements.

\*Deemed a significant deficiency





**ORIGINAL**

**Submitted by:**

**Sandor Wiener School of Opportunity South**

**Financial Recovery Plan**

**To:**

**Office of Management and Compliance Audits  
School Board Administration Building  
1450 N.E. 2<sup>nd</sup> Ave. Suite 415  
Miami, FL 33132**

**November 6<sup>th</sup>, 2008**



**Sandor Wiener School of Opportunity, South**

11025 S.W. 84 Street, Cottage # 5 Miami, FL 33173  
Phone# (305) 279-3064 Fax (305) 279-2922

*"Students will be considered for admission without regard to ethnicity, national origin, race, religion or gender."*

ORIGINAL

**November 5, 2008**

Dr. Grace L. Ali  
Financial Officer of Financial Operation

Mr. Allen M. Vann  
Chief Auditor  
Management and Compliance Audit

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

**Sandor Wiener School of Opportunity, South's** school board is in receipt of a letter sent by your office dated October 7, 2008, regarding the school's financial status. In response to this letter, management is submitting a comprehensive financial recovery plan for 2008-2009 to MDCPS in accordance to Florida Statues Section 218.503 and F.S. 1002.33 (9) (g). The plan addresses specific audit findings, outlines the schools current financial status with appropriate supporting documentation that will exhibits the school financially viable entity.

In its fourth year of operations the school is now in better financial standing than in the past, in order to meet it's current and future obligations.

A school representative will be present at the MDCPS School Board Audit Committee Tuesday December 2, 2008 room 916 at 12:30 PM.

Submitted by management on behalf of Sandor Wiener South School Board

**Respectfully,**

**Vickie Burley**  
**Program Director**

**Frank Gaitan**  
**Accounting Consultant**



# **Sandor Wiener School of Opportunity, South**

## **2008-2009 Recovery Plan**

Adheres to Charter School Financial Recovery Plan provided by sponsor

### **Audit Finding Specifics and Explanations**

**Sandor Wiener's 2007-2008 Financial Audit was submitted MDCPS, a summary of specific findings are outlined and addressed by management in this recovery plan.**

This 2008-2009 school year Sandor Wiener School of Opportunity – South has reached its Financial Equilibrium. In the past three years of the schools operations it has held and maintained positive cash flow position. Student enroll is up and expenses has been reduced. Fixed cost remain the same. MDCPS has reevaluated Matrix levels of students which directly increased FTE funds per student. FTE funding is now matching level of services based on students needs. The School has not failed to pay its vendors, or salaries, or wages, or taxes due. These facts along will consolidate the School's financial status.

Page 4, of the Financial Audit Report, shows unrestricted net assets deficit increased last year, for a total \$135,937. This amount is the school's accumulated internal management fees since its opening of the program as it pertains to the usual and customary managing fee due to ARC. Sandor Wiener School Board has received the audit findings and is committed with ARC to the community and population the school serves and does not pressure the Charter school for management fees, even though it is entitled to them. Business statics shows it generally takes a full five year of operation before a business can reach Financial Equilibrium. We are confident with the quality of our school services, parent's satisfaction, and meeting Charter School Operations compliance benchmarks, that Sandor Wiener School of Opportunity will continue to be successful and meet the needs of our community.

Page 6, Economic factors have help school financials for 2008-2009 school year, due to the diligence of the school directors and the management team in compliance with students EIP's, and implementing the school's marketing plan and by finding other sources of funding. (See attached documents of school Marketing Plan, and Financial Talking Points.)

Page 7 shows that the amount due to related-party "ARC" is \$146,153 which would represent an unrestricted fund surplus of \$10,216 if operated on "Cash Basis- Accounting"

Page 16, Note 10 Fund and Net Assets Deficits clearly outlines schools specific financial status of 2007-2008. It predicts, based on actual facts and stronger financial year for 2008-2009 school year.

Page 22, 2008-1 Posting of Year End Adjustments Journal Entries the end-of-year (2006-2007) Adjusting Journal Entries were properly posted after a few questions were clarified with the external auditors such as the corresponding reversal entries for the new FY. Sandor Wiener management team has implemented a new accounting soft ware program MIP to help better monitor internal controls for the school.

Page 22, 2008-02 Cash Disbursements- A new procedure suggested by the auditors has been instituted in-conjunction with the cash disbursement of expenses. The control deficiency has been corrected following recommendations by our auditors, which pertained to properly signing the invoices for payment authorization.

## **Financial Status at initiation of Recovery Plan**

### **State of Financial Emergency of the School**

Conditions, which may lead to a financial emergency applicable to charter school-(Section 218.503, F.S.)

(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 a lack of funds.

**Not applicable to the school.**

(b) Failure to pay uncontested claims from creditors within 90 days after the claim is presented, as a result of lack of funds.

**Not applicable to the school.**

(c) Failure to transfer at the appropriate time, due to lacks of funds:

1. Taxes withheld on the income of employees.
2. Employer and employee contributions for social security, pension, retirement, or benefit plan of an employee.

**Not applicable to the school.**

(d) Failure for one pay period to pay, due to lack of funds:

1. Wages and salaries
2. Retirement benefits

**Not applicable to the school.**

(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.

Audit reports page 4.

The reported Fund Deficit that places us in situation of Financial Emergency pertains to our balance only with our parent and managing company, A.R.C. (Association for Retarded Citizens). Sandor Wiener School Board has received the audit findings and is committed with ARC to the community and population the school serves and does not pressure the Charter school for management fees, even though it is entitled to them. This Fund Deficit has not, and will not affect our ability to meet our financial obligations to pay our bills, meet salaries payroll, nor pay our corresponding taxes.

The school has two main sources of revenue: MDCPS through FTE, and The Children's Trust. The funds from The Children's Trust have maintained the same, while the FTE funds for 2008-2009 have increased.

Although last year fiscal year the school showed a decrease in income, it was able to operate with a positive cash flow, due to closely monitoring expenses, through cost control, cut cost expenses while maintaining fixed cost.



At the present time the financial status of the school is better than it has ever been. Due to facts outlined above. This is largely due to the fact that a similar Recovery Plan was implemented in the fall of 2007 and the benefits are starting to show.

Note:

Incomes

2006-2007 = \$832,000

2007-2008 = \$637,000

2008-2009 = \$720,000 \* Realistic Revenue Projected based on all funding sources including approved MDCPS FTE invoices. See supporting documents of MDCPS invoices for August, September and October 08.

### **Time Frame for Correction**

At present, all corrections have already been made in- conjunction with external auditors recommendations.

The implemented Recovery Plan was initiated in September 2007 with the same objective; to strengthen the School's financial status through compliance, financial soundness and collaborating and marketing with school partners. See marketing and financial taking points documents. Thus far the implemented plan is working as anticipated, though the results are being to take effect this school year. By the end of this calendar year the School should be in an upward financial trend.

### **Projected Weighted FTE for Current Year and Next year**

The school's final FTE report on student's enrollment for 2007-2008 reflected the projected weight for 20 students.

For the 2008-2009 school year MDCPS October's 2008 Projected Weighted FTE report list 30 students.

The FTE Dollars equivalent is \$348,000 for 2007-2008 and \$461,000 for 2008-2009

This significant increase is due to promotions and marketing – dynamic enrollment – that could not previously take effect, until the beginning of a school year. See copy of MDCPS approved FTE invoice for October 2008.

### **Projected Expenditures for current Year and Next Year**

The actual cash expenditure for 2007-2008 was \$662,000 from all sources. For 2008-2009 we anticipate a total cash expenditure of \$676,000. This will show a reduction in expenditures, when we consider that additional staff was needed to meet the requirements for the increase in enrollment and the rise in other related operational costs. Our projected income is \$720,000 will adequately cover projected expenses.

## **Dollar Amounts of Identified Cost Reductions**

Renegotiation of insurance policies and coverage as well as change to employees sharing cost for health benefits allows for cost reductions.

	<b>2006-2007</b>	<b>2007-2008</b>
Insurance	\$22,800	\$14,300
Health Benefits	\$30,618	\$17,448 employee shared cost
Management fees	\$135,957	variable expense can be reduced or not collected
Utilities / Maintenance	review of possible cost reduction	

	<b>2006-2007</b>	<b>2007-2008</b>
Overall expenses:	\$793,000	\$738,000

This is a minimum reduction of \$55,000 over the previous year, and represents 6% decrease, which considering the yearly increases in almost every category, from rent to supplies, this would represent about a 15% total reduction.

For this School Year a review of utilities and maintenance cost are in effected in order to be more efficient in reducing our cost, such as new phone services that could cut our costs by 50%, more conscience of our electrical consumptions, detecting waste such as water leak, and using community partners such as Hands on Miami, to do grounds and facilities beautification projects.

## **Internal Measures to Monitor Plan**

Bi-weekly financial meetings are now taking place, to monitor internal measures. A new accounting software program of MIP will create a more adequate and efficient accounting controls. Monthly revenues and expenses are monitored and compared to the same month of the previous year, as well as to the previous month.

## **Summary Narrative of Plan**

The Recovery Plan resides in three major aspects.

- 1. Increase in Revenues.**
- 2. Cost Control and reduction.**
- 3. Bi-weekly and monthly review of financial reports with management team.**

The Recovery Plan implemented last year is taking effect this School Year. One of our main objectives has been to increase the enrollment of the number of students, without increasing our expenses in the same proportion.

The first part of the implemented Recovery Plan has been accomplished; an estimated 50% increase in enrollment represents an increase in funds. New and additional sources of revenues have been established; such as summer and after school care registration and supply fees, lunch program and marketing and collaborating with community partners.

The reduction in cost has been achieved by creating awareness among our staff in our utilities consumption, waste-not of our supplies and resources as well as researching searching alternatives, sin utilities such as Internet phones which would cut costs in half.

With new student enrollment the teacher-to-student ratio is more cost efficient. The school does not expect an increase in transportation expenses since the bus is not at full capacity.

### **Reports to Governing Board and Sponsor**

Sandor Wiener School of Opportunity South, submits to the sponsor MDCPS Charter School Operations timely quarterly statements of revenues and expenditures and changes in fund balance. (See first quarter 2008-009 in supporting documents).

At any time MDCPS has the right to request and review the schools monthly bank statements.

Financial statements are presented to Sandor Wiener School board quarterly as required.

School Improve Plan is presented to the board and submitted annually, mid-year and end of year to sponsor.

Capital Outlay Report is approved and submitted by Sandor Wiener school and board and sponsor.

State Annual Accountability report is submitted to the board and the sponsor.

Data of student demographics and verification of FTE reports is collected and submitted to the sponsor.

Compliance with requirements of Unaudited and Audit financial statements.

# Supporting Documents



## Sandor Wiener Schools of Opportunity, North and South

*"Student's will be considered for admission without regard to ethnicity, national origin, race, religion or gender"*

*Vickie Burley, Program Coordinator  
Liz McGettigan, Director North  
Vanessa Hughes, Director South*

### Marketing/Community Contacts

- **Therapy Centers/Doctor's Offices**
  - Children's Creative Therapy
  - Martha Ware Rehabilitation Center at Baptist Children's Hospital
  - Dan Marino Center-Dr. Turasec
  
- **Community Committee for Developmental Handicaps** (CCDH- A community agency that supports people with disabilities and their families.)
- **Wayside Baptist Church Special Ministry**
- **Rotary/Kiwanis/Lions Clubs**
  - Coral Gables Rotary
  - Palmetto Bay Rotary
  - Dadeland/Pinecrest Rotary
  - North Dade Rotary
  - Miami Lakes Kiwanis
  - Aventura-North Miami Lions (North campus is pursuing a membership)
  - Hallandale-Aventura Rotary
  
- **Television Spots**
  - Cable Tap
  - Univision- spotlight segment on Sunday morning show (upcoming-July)
  
- **Foster Care Centers**
  - His House
  - Children's Home Society
  -
  
- **Press Releases to Local Media**
  - Ch. 4
  - Ch. 6
  - Ch.7
  - Ch. 10
  - The Miami Herald



- **Local Social Workers**-Irene Ballart, Sujeil Beltran
- **Flyers**
  - Sent home with Parents and Staff
  - Posted in the community (Publix, Winn Dixie, Wal-Mart, Target, MDC, FIU, UM, therapy centers, doctors' offices, etc.)
  - Given to all school visitors
- **Banners**
  - Posted in front of school and site entrance
  - Brought to special events
- **Networking at Community Events**
  - ESE Day at Miami-Dade County Youth Fair
  - The Children's Trust EXPO
  - The Children's Trust Awards Ceremony
  - FDLRS Assistive Technology Fair
- **School Newsletter**
  - Distributed to parents, e-mail distribution lists, inclusion in ARC newsletter, etc.
- **Updated website-currently under construction**
  - [www.sandorwienerschool.org](http://www.sandorwienerschool.org)
- **Word-of-Mouth!**
  - Encouraging Parents, Staff, and Visitors to spread the word

Sandor Wiener Schools of Opportunity  
LM  
10/07





Sandor Wiener School of Opportunity, inc.  
North Campus  
20000 N.W. 47 Avenue, Bldg. # 7 Miami, FL 33055  
Phone # (305) 623-9631 Fax (305) 623- 9621  
Mailing address: P.O. Box 173470 Hialeah, Fl 33017-3470

Sandor Wiener School of Opportunity-  
South Campus  
11025 S.W. 84 Street, Cottage #5 Miami, FL 33173  
Phone# (305) 279-3064 Fax (305) 279-2922

*"Student's will be considered for admission without regard to ethnicity, national origin, race, religion or gender"*

## SWSO Financial Talking Points

- Interesting FTE/FEFP Quirks- FTE periods (February and October) are always averaged with the previous period. This is helpful if you have lost students since your last FTE period, but obviously does not help when the school is growing/expanding. Also, Capital Outlay funding is directly tied to FTE numbers, not space rental/lease costs.
- National School Lunch Program (Free and Reduced Lunch)- We are currently paying for all meals for children eligible for free lunch (and 80% of the actual lunch cost for those with reduced lunch pricing). We are looking to become members of the National School Lunch Program, which will entail sending a representative from each campus location to Tallahassee for the orientation program. School districts and independent schools that choose to take part in the lunch program get cash subsidies and donated commodities from the U.S. Department of Agriculture (USDA) for each meal they serve. In return, they must serve lunches that meet Federal requirements, and they must offer free or reduced price lunches to eligible children. School food authorities can also be reimbursed for snacks served to children through age 18 in afterschool educational or enrichment programs.



- Title I-(North campus only) SWSO-North has been allocated \$5020.00 for program supplies. This money must be spent by the end of the 2007-2008 school year. The guidelines for this funding are as follows:

-1% of the full allocation must be spent on parental involvement activities, programs, and procedures.

-We are to use the funds to supplement, not supplant our services. We can purchase software, audio visual materials, assistive technology, and educational field trips. We cannot use the funds to purchase textbooks/curriculum, art/music supplies, furniture, awards, communication equipment, PE/playground equipment, etc.

- Upcoming Expense: DECON Radios- mandatory for all public and charter schools. These radios will notify us of severe weather, lockdowns, police activity, and other hazards in our school's area. They will also be the primary form of communication to the school district and local authorities following a hurricane/severe weather event. These radios were automatically purchased for every charter school by Miami-Dade County School Police, and will be deducted from our May FEFP payment. The cost of the DECON radio, charger, and programming is \$1649.57. The cost breakdown is as follows:

Battery	\$ 75.00
Antenna	46.72
Desk Charger	87.60
P5130 Radio	1,405.25
Programming	35.00
<b>Total</b>	<b>\$1,649.57</b>





## Possible Solutions

- **Grants:** We are looking to apply for grants both large and small to fund supplies, building upgrades/maintenance, and technology. Each campus site director has attended Grant Writing Workshops offered by Nova Southeastern University to pursue these funding opportunities. We have already approached the Dan Marino Foundation, who has asked us to reapply at the beginning of next year's grant cycle. We are looking to apply for various grants from the following foundations: Tiger Woods Foundation, Lowe's Charitable and Educational Foundation, Best Buy Teach Program, Target Reading Foundation, Dade Foundation, Health Foundation, Dollar General, and other grant opportunities through the Florida Charter School Clearinghouse.
- **Facilities-**The North campus is exploring other building options in the area, as rent continues to rise.
- **Summer Medicaid Billing-**Both campuses are looking at the possibility of 12-month therapist positions (at current salary) to continue Medicaid/Medipass billing for June, July, and August for summer camp with TCT.
- **Donations-** Both campuses have sent letters home to families, asking for their support. We are looking to find donors within our respective communities through the Key/Kiwanis/Rotary/Lions clubs. The North campus has received a donation from "One Planet One Heart" for two new touch-screen monitors and assistive software, while the South campus has received hand-made wheelchair backpacks, classroom supplies, and various cash donations.

Sandor Wiener Schools of Opportunity

10/07 LM













Association for Retarded Citizens, South Florida  
5555 Biscayne Boulevard \* P.O. Box 371333 \* Miami, Florida 33137-1333  
Telephone (305) 759-8500 \* Fax (305) 754-9223 \* [www.arcsofla.org](http://www.arcsofla.org)

**ASSOCIATION FOR RETARDED CITIZENS/SOUTH FLORIDA**

**BOARD RESOLUTION**

**WHEREAS, The Association For Retarded Citizens/South Florida (ARC) a not for profit (501C3) corporation has been providing advocacy and services for individuals with developmental disabilities and their families for over fifty years in the Miami-Dade County community, and**

**WHEREAS, ARC developed and sponsored the Sandor Wiener School Of Opportunity, South campus to provide an educational option for students with special disabilities, and**

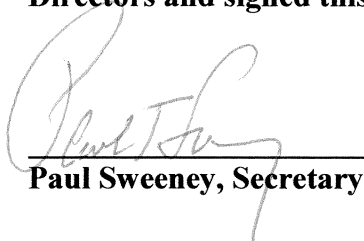
**WHEREAS, ARC is entitled to receive funding from Sandor Wiener School for administrative services performed, and**

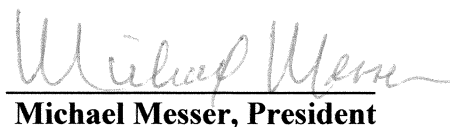
**WHEREAS, Sandor Wiener School of Opportunity, South campus is still becoming financially stable, and**

**WHEREAS, Sandor Wiener School owes ARC for administrative services from past years, and**

**NOW, THEREFORE BE IT RESOLVED THAT, the ARC continues it's commitment and support to Sandor Wiener School, South campus and agrees not to collect on current indebtedness until the school is financially solvent.**

**Approved by the ARC Board of Directors at the regularly scheduled meeting of the Board of Directors and signed this 18<sup>th</sup> day of November, 2008.**

  
Paul Sweeney, Secretary

  
Michael Messer, President

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