

**CORAL REEF MONTESSORI ACADEMY  
CHARTER SCHOOL, INC.  
MIAMI, FLORIDA**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2009**

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**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL**  
(A Charter School Under Coral Reef Montessori Academy Charter School, Inc.)

10853 S.W. 216<sup>th</sup> Street  
Miami, Florida 33170  
(305) 255-0064

**2008-2009**

**BOARD OF DIRECTORS**

Ms. Elsie Hamler, President  
Mr. Victor Golden, Secretary  
Ms. Geraldine Townsend  
Dr. John Pittman  
Mr. Nestor Torres  
Mr. Wendall Carr  
Ms. Evelyn Quiñones

**SCHOOL ADMINISTRATION**

Ms. Lucy Canzoneri-Golden, Co-Director, Vice President  
Ms. Juliet King, Co-Director

INDEPENDENT AUDITORS' REPORT

Board of Directors  
 Coral Reef Montessori Academy Charter School, Inc.  
 Miami, Florida

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Coral Reef Montessori Academy Charter School, Inc., (the "School") a component unit of the District School Board of Miami-Dade County, as of and for the year ended June 30, 2009, 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. The prior year summarized comparative information has been derived from the School's 2008 financial statements and in our report dated September 10, 2008, we expressed unqualified opinions on the respective financial statements of the governmental activities and the general fund.

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 Coral Reef Montessori Academy Charter School, Inc., as of June 30, 2009 and the respective changes 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 10, 2009, on our consideration of the School'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 important for 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 23 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.

*Verdeja & De Armas, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 10, 2009

**Management's Discussion and Analysis**  
Coral Reef Montessori Academy Charter School, Inc.  
June 30, 2009

The corporate officers of Coral Reef Montessori Academy Charter School, Inc. (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2009.

**Financial Highlights**

1. The assets of the School exceeded its liabilities at June 30, 2009 by \$897,363 (net assets).
2. At year-end, the School had current assets on hand of \$681,016.
3. The net assets of the School decreased by \$103,912 during the year.

*Overview of the Financial Statements*

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2009 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 the School's finances, in a manner similar to a private-sector business.

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

The *Statement of Activities* presents information on how the School's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event resulting in the change 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.

*Fund Financial Statements*

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Government Fund financial statements, however, focus on *near-term inflows* and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual budget for its general fund basis. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 12 - 15 of this report.

The agency fund statement provides information about the financial relationship in which the School acts solely as an agent for the benefit of others. The School is fiduciary for assets that belong to others, such as the student activity funds. The School is responsible for ensuring that the assets reported in these activity funds are used only for the intended purposes and by those for whom the assets are contributed. The School excludes these activities from the Statement of Net Assets because it cannot use these funds to finance its operations. The agency fund statement can be found on page 16 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 17 - 22 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a school's financial position. In the case of the School, assets exceeded liabilities by \$897,363 at the close of the fiscal year. A summary of the School's net assets as of June 30, 2009 and 2008 follows:

	2009	2008
Cash	\$ 466,955	\$ 665,197
Cash designated	90,000	90,000
Due from governmental agencies & internal fund	44,997	-
Prepaid expenses and other assets	79,064	48,843
Capital Assets, net	4,078,574	4,116,498
Total Assets	<u>\$ 4,759,590</u>	<u>\$ 4,920,538</u>
Accounts and wages payable and accrued liabilities	\$ 133,940	\$ 121,891
Line of credit	-	-
Note Payable	3,728,287	3,797,372
Total Liabilities	<u>\$ 3,862,227</u>	<u>\$ 3,919,263</u>
Invested in Capital Assets, net of related debt	\$ 350,287	\$ 319,126
Unrestricted, designated for capital projects	90,000	90,000
Unrestricted	457,076	592,149
Total net assets	<u>\$ 897,363</u>	<u>\$ 1,001,275</u>

At the end of the fiscal year, the School is able to report continued positive balances in the categories of net assets with a net increase for the year.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2009 and 2008 follows.

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Program Revenues		
Operating Grants and Contributions	\$ 62,018	\$ 152,668
Capital Grants and Contributions	187,299	223,635
Charges for Services	508,000	489,638
General Revenues		
Grants and Contribution	2,155,156	2,181,264
Fundraising and other revenue	29,803	16,891
Interest earnings	1,907	9,227
Total Revenues	<u>\$ 2,944,183</u>	<u>\$ 3,073,323</u>
<b>EXPENSES</b>		
Instructional services	\$ 1,853,255	\$ 1,449,625
Instructional and curriculum development services	-	3,918
Instructional staff training services	7,750	24,015
Board	10,112	15,903
General administration	-	-
School administration	374,936	336,591
Facilities acquisition and construction	54,497	89,098
Fiscal services	19,012	26,820
Food services	64,579	71,233
Central services	105,383	109,063
Pupil transportation services	36,310	28,530
Operation of plant	189,434	181,817
Maintenance of plant	9,067	15,201
Community services	-	-
Interest expense	230,145	257,860
Unallocated depreciation and write-off	93,615	213,429
Total Expenses	<u>\$ 3,048,095</u>	<u>\$ 2,802,863</u>
Change in Net Assets	\$ (103,912)	\$ 270,460
<b>Net Assets at Beginning of Year</b>	<u>1,001,275</u>	<u>730,815</u>
<b>Net Assets at End of Year</b>	<u>\$ 897,363</u>	<u>\$ 1,001,275</u>

The School's total revenues decreased by \$129,140, with approximately \$90,000 of the decrease resulting from state budget cuts in public education funding, adopted midway through the 2008-09 school year. While state funding cuts adversely affected the School's revenues, the expenditures increased \$245,232. Additional staff was hired to comply with the implementation of the state mandated Class Size Reduction initiative. Therefore, instructional salaries and fringe benefits expenses increased. Additionally, the School spent approximately \$116,000, for new computers and other instructional equipment and supplies needed to fully equip new classrooms opened for Class Size Reduction, which represents an increase of approximately \$97,000 from the prior year. Consequently, the School's Net Assets decreased by \$103,912 for the year. If the School computed its Change in Net Assets before Unallocated Depreciation, (a non-cash expense) of \$93,615, its Change in Net Assets would be a decrease in Net Assets of \$10,297.



### **Articulation Agreements**

Students, who have been identified as high risk in grades K-8 in either reading or math will have a Progress Monitoring Plan (PMP) developed. The School will monitor these students closely by using state mandated diagnostic tools such as; Florida Assessments for Instruction Reading (FAIR) and report their progress in the Progress Monitoring Reporting Network (PMRN). The School will commence its tutorial program the first week of school to target at risk students in grades 3-8. In addition, the tutoring program will continue throughout the 2009-2010 school year, for a total of four tutors, two in reading and two in math in grades 3-6. The School will follow the recommendation of the Department of Education in regards to the Middle School Reform Act. Thus, students in the Middle School who have been identified as needing remediation in reading will receive an additional intensive reading course, thereby increasing their instructional day by one hour. All at risk students, grades 3-8 will receive tutoring in both reading and math.

### **Accomplishments**

The School received an "A" grade for the 2008-2009 school year; however the school did not make Adequate Yearly Progress for African Americans in both reading and math and Economically Disadvantage students in reading. The achievement of receiving AYP means that all sub groups; African American Hispanics, Whites, Exceptional Education students, free and reduced lunch students all made adequate gains in the Florida Comprehensive Assessment Test as defined by the Florida Department of Education. Students made gains in reading and math particularly the students in the lowest 25%. The administration was particularly satisfied with the students' science scores in eighth grade where there was an increase of 36% more students scoring at State standards and above than in 2007-2008. There was a slight increase in the fifth grade science sores from 2007-2008 school year. The administration, in conjunction with their staff, Board of Directors and EESAC committee, has made achieving AYP for our African American students and Economically Disadvantage students a priority for improvement. The School will be budgeting additional funds for professional training and materials that have been proven to be effective and improve test scores for various schools in Miami-Dade. All teachers in grades kindergarten through eighth received extensive training for FCAT preparation in reading, writing and mathematics.

The School will continue to provide professional development for the teachers in reading, math and writing. The School will purchase more research based science materials that will enhance students' learning in grades 5 and 8. The School will purchase the additional interim exams in math, reading and science to monitor student's progress. With the analysis of specific data, a teacher can create an action plan to address those specific problem areas that offer the most significant opportunities for improvement. The School is expecting to receive additional support from the district to address not meeting AYP for both subgroups mentioned above. In addition, parents of students not meeting AYP will be provided with additional support by way of professional development workshops and a 16 week after school math tutorial, free of charge. The School is still in the process of obtaining joint accreditation form the Southern Association of Colleges and Schools ("SACS") and American Montessori School ("AMS") and expects the accreditation visit the spring of 2010.

**Achievement**

The School was awarded a \$75,000 (Seventy Five Thousand Dollar) grant from the Children's Trust for our after care program and the program has a 94% out of 100% score of overall program effectiveness. The School was given an award by the Sierra Club for its "Growing Healthy After School Program".

**School Location**

The School operates in the Miami area from its facility located at 10853 S.W. 216 Street, Miami, FL 33170.

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

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

**Governmental Funds**

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* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the School's governmental funds reported combined ending fund balances of \$547,076, a decrease of \$135,073 in comparison with the prior year.

**Capital Assets**

The School's investment in capital assets as of June 30, 2009 amounts to \$4,078,574 (net of accumulated depreciation). This investment in capital assets includes land, school building, furniture, fixtures and computer equipment.

**Note Payable**

In January 2008 the School signed an agreement to refinance their note payable with a new \$3,825,000 note. The new note is collateralized by the School's building and land and is guaranteed by the School's co-directors. The note payable bears interest of 6.20% (based on the 7-year Treasury + 2%). The balance at June 30, 2009 was \$3,728,287.

## General Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the School adopted an annual budget. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the School's budget.

	General Fund Budget		Actual by Governmental Funds		
	Original Budget	Final Budget	Total All Funds	General Fund	Capital Fund
<b>REVENUES</b>					
State government grants	\$ 2,474,060	\$ 2,474,060	\$ 2,342,455	\$ 2,342,455	\$ -
Capital outlay funding and other grants	-	-	-	-	-
Charges for services and other grants	577,000	577,000	570,018	570,018	-
Interest and other income	10,000	10,000	31,710	31,710	-
<b>TOTAL REVENUE</b>	<b>\$ 3,061,060</b>	<b>\$ 3,061,060</b>	<b>\$ 2,944,183</b>	<b>\$ 2,944,183</b>	<b>-</b>
<b>EXPENDITURES</b>					
Instructional services	\$ 1,713,940	\$ 1,713,940	\$ 1,853,255	\$ 1,853,255	\$ -
Instructional and curriculum development services	20,000	20,000	-	-	-
Instructional staff training services	20,000	20,000	7,750	7,750	-
Board	10,000	10,000	10,112	10,112	-
General administration	12,000	12,000	-	-	-
School administration	413,306	413,306	374,936	374,936	-
Facilities acquisition, construction & other capital outlay	100,000	100,000	110,188	110,188	-
Fiscal services	27,800	27,800	19,012	19,012	-
Food services	63,445	63,445	64,579	64,579	-
Central services	123,000	123,000	105,383	105,383	-
Pupil transportation services	30,000	30,000	36,310	36,310	-
Operation of plant	198,000	198,000	189,434	189,434	-
Maintenance of plant	70,000	70,000	9,067	9,067	-
Debt services	170,000	170,000	299,230	299,230	-
<b>TOTAL EXPENDITURES</b>	<b>2,971,491</b>	<b>2,971,491</b>	<b>3,079,256</b>	<b>3,079,256</b>	<b>-</b>
Net change in fund balance	<u>\$ 89,569</u>	<u>\$ 89,569</u>	<u>\$ (135,073)</u>	<u>\$ (135,073)</u>	<u>\$ -</u>

## Requests for Information

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Ms. Juliet King and Lucy Golden, Co-Directors located at 10853 SW 216 Street, Miami, Florida 33170.

## CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.

## STATEMENT OF NET ASSETS

JUNE 30, 2009

	Governmental Activities	
	2009	2008 (Summarized Comparative Information)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 466,955	\$ 665,197
Cash designated	90,000	90,000
Due from governmental agencies	16,997	-
Due from internal fund	28,000	-
Prepaid expenses and other assets	79,064	48,843
Total current assets	<u>681,016</u>	<u>804,040</u>
<b>CAPITAL ASSETS</b>		
Land	980,909	980,909
Building and improvements	3,326,836	3,305,731
Less accumulated depreciation	(314,211)	(243,989)
Furniture, fixtures and computer equipment	177,647	143,061
Less accumulated depreciation	(92,607)	(69,214)
Total capital assets, net	<u>4,078,574</u>	<u>4,116,498</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,759,590</u></u>	<u><u>\$ 4,920,538</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 12,592	\$ 14,725
Wages payable	121,348	107,166
Note payable - current portion	73,541	69,210
Total current liabilities	<u>207,481</u>	<u>191,101</u>
Note payable - long term portion	<u>3,654,746</u>	<u>3,728,162</u>
TOTAL LIABILITIES	<u>3,862,227</u>	<u>3,919,263</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	350,287	319,126
Unrestricted, designated for capital projects	90,000	90,000
Unrestricted	457,076	592,149
TOTAL NET ASSETS	<u>897,363</u>	<u>1,001,275</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,759,590</u></u>	<u><u>\$ 4,920,538</u></u>

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

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

FUNCTIONS	2009				2008	
	Expenses	Program Revenues			Net (Expense) and Changes in Net Assets	(Summarized Comparative Information)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Net (Expense) and Changes in Net Assets
<b>Governmental Activities:</b>						
Instructional services	\$ 1,853,255	\$ 508,000	\$ 62,018	\$ -	\$ (1,283,237)	\$ (959,987)
Instructional and curriculum development services	-	-	-	-	-	(3,918)
Instructional staff training services	7,750	-	-	-	(7,750)	(3,775)
Board	10,112	-	-	-	(10,112)	(15,903)
School administration	374,936	-	-	-	(374,936)	(336,591)
Facilities acquisition & construction	54,497	-	-	187,299	132,802	287,205
Fiscal services	19,012	-	-	-	(19,012)	(26,820)
Food services	64,579	-	-	-	(64,579)	(71,233)
Central services	105,383	-	-	-	(105,383)	(109,063)
Pupil transportation services	36,310	-	-	-	(36,310)	(28,530)
Operation of plant	189,434	-	-	-	(189,434)	(181,817)
Maintenance of plant	9,067	-	-	-	(9,067)	(15,201)
Interest on long-term debt	230,145	-	-	-	(230,145)	(257,860)
Unallocated depreciation expense and write-off	93,615	-	-	-	(93,615)	(213,429)
<b>Total Governmental Activities</b>	<u>3,048,095</u>	<u>508,000</u>	<u>62,018</u>	<u>187,299</u>	<u>(2,290,778)</u>	<u>(1,936,922)</u>
<b>GENERAL REVENUES:</b>						
					2,155,156	2,181,264
Government grants not restricted to specific programs					1,907	9,227
Investment earnings					29,803	16,891
Fundraising and other revenue					<u>2,186,866</u>	<u>2,207,382</u>
Total general revenues						
Change in Net Assets					(103,912)	270,460
NET ASSETS - BEGINNING					<u>1,001,275</u>	<u>730,815</u>
NET ASSETS - ENDING					<u>\$ 897,363</u>	<u>\$ 1,001,275</u>

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

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.**

**BALANCE SHEET- GOVERNMENTAL FUNDS**

**JUNE 30, 2009**

	2009		2008
	General Fund	Capital Projects Fund	Total Governmental Funds (Summarized Comparative Information)
<b>ASSETS</b>			
Cash and cash equivalents	\$ 466,955	\$ -	\$ 466,955
Cash designated	90,000	-	90,000
Due from governmental agencies	16,997	-	16,997
Due from internal fund	28,000	-	28,000
Prepaid expenses	79,064	-	79,064
<b>TOTAL ASSETS</b>	<b>\$ 681,016</b>	<b>\$ -</b>	<b>\$ 681,016</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable and accrued liabilities	\$ 12,592	\$ -	\$ 12,592
Wages payable	121,348	-	121,348
<b>TOTAL LIABILITIES</b>	<b>133,940</b>	<b>-</b>	<b>133,940</b>
<b>FUND BALANCE</b>			
Unreserved	547,076	-	547,076
<b>TOTAL FUND BALANCE</b>	<b>547,076</b>	<b>-</b>	<b>547,076</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 681,016</b>	<b>\$ -</b>	<b>\$ 681,016</b>

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

CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2009

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Total Fund Balance - Governmental Funds	\$ 547,076
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets of \$4,462,306, net of accumulated depreciation of \$383,732 used in governmental activities are not financial resources and therefore are not reported in the fund.	4,078,574
Long-term liabilities of \$3,728,287 are not due and payable in the current period and therefore, are not reported in the funds.	<u>(3,728,287)</u>
Total Net Assets - Governmental Activities	<u>\$ 897,363</u>

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

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	2009		2008	
	General Fund	Capital Projects Fund	Total Governmental Funds	(Summarized Comparative Information)
<b>REVENUES</b>				
State government grants	\$ 2,342,455	\$ -	\$ 2,342,455	\$ 2,181,264
Capital outlay funding	-	-	-	223,635
Charges for services and other grants	570,018	-	570,018	642,306
Other income	29,803	-	29,803	16,891
Interest	1,907	-	1,907	9,227
<b>TOTAL REVENUES</b>	<b>\$ 2,944,183</b>	<b>\$ -</b>	<b>\$ 2,944,183</b>	<b>\$ 3,073,323</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instructional services	\$ 1,853,255	\$ -	\$ 1,853,255	\$ 1,451,671
Instructional and curriculum development services	-	-	-	3,918
Instructional staff training services	7,750	-	7,750	3,775
Board	10,112	-	10,112	15,903
School administration	374,936	-	374,936	338,241
Facilities acquisition & construction	54,497	-	54,497	92,875
Fiscal services	19,012	-	19,012	26,820
Food services	64,579	-	64,579	71,233
Central services	105,383	-	105,383	109,063
Pupil transportation services	36,310	-	36,310	28,530
Operation of plant	189,434	-	189,434	181,817
Maintenance of plant	9,067	-	9,067	15,201
<b>Capital Outlay:</b>				
Facilities acquisition and renovation	55,691	-	55,691	213,899
Other capital outlay	-	-	-	133,547
<b>Debt Service:</b>				
Redemption of principal	69,085	-	69,085	27,628
Interest	230,145	-	230,145	257,860
<b>TOTAL EXPENDITURES</b>	<b>3,079,256</b>	<b>-</b>	<b>3,079,256</b>	<b>2,971,981</b>
Excess (Deficiency) of revenues over expenditures	(135,073)	-	(135,073)	101,342
<b>OTHER FINANCING SOURCES</b>				
Proceeds from long-term financing	-	-	-	152,965
Total other financing sources	-	-	-	152,965
Net change in fund balance	(135,073)	-	(135,073)	254,307
Fund balance at beginning of year	682,149	-	682,149	427,842
Fund balance at end of year	<b>\$ 547,076</b>	<b>\$ -</b>	<b>\$ 547,076</b>	<b>\$ 682,149</b>

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



**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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Net Change in Fund Balance - Governmental Funds \$ (135,073)

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 and reported as depreciation expense. This is the amount by which depreciation of \$93,615 exceeded capital outlays of \$55,691. (37,924)

The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments of \$69,085 exceeded proceeds of \$0 in the current period. 69,085

Change in Net Assets of Governmental Activities \$ (103,912)

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

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

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	<b>Agency Fund Student Activity</b>
<b>Assets</b>	
Cash	<u>\$          48,348</u>
TOTAL ASSETS	<u>                  48,348</u>
<b>Liabilities</b>	
Due to student groups	20,348
Due to general fund	<u>28,000</u>
TOTAL LIABILITIES	<u>\$          48,348</u>

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

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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NOTE 1 – ORGANIZATION AND OPERATIONS

**Reporting Entity**

Coral Reef Montessori Academy Charter School, Inc., (the “School”) is a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors which is comprised of 7 members.

The general operating authority of Coral Reef Montessori Academy Charter School, Inc., (the “School”) is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Miami-Dade County, Florida (the “School Board”). The current charter is effective until June 30, 2009 and the School applied for and was granted a contract renewal for an additional five year period by mutual agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown.

These financial statements are for the year ended June 30, 2009, when 335 students were enrolled in grades kindergarten through eighth and 82 students were enrolled in the pre-school program at the School for the year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**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. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities.

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 governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

*General Fund* – used to account for the full-time equivalent (FTE) revenue received from the School Board and the expenditures incurred under the School contract with the School Board. In addition, it is used to account for unrestricted contributions, interest income and other income.

*Capital Projects Fund* – used to account for Capital Outlay funds and School Infrastructure Thrift (SIT) funds. These funds have been segregated to account for renovation to the existing facility or the acquisition of new facilities.

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)  
Additionally, the School reports the following fiduciary fund type:

Agency Funds

Agency funds account for assets held by the School in a custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. The agency fund is a School Activities Fund. It accounts for monies collected and spent resulting from student activities at the School site level such as music, clubs and other similar fundraising activities.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of Coral Reef Montessori Academy Charter School, Inc., (the “School”) are prepared in accordance with generally accepted accounting principles (GAAP). The School’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 or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide 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.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. 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. The School 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 principal and interest which are reported as expenditures in the year due.

**Budgetary Basis Accounting**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

Cash

The School’s cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

Designated Cash

Designated cash consists of a certificate of deposit used as collateral for a letter of credit required by an agreement between the School and Miami-Dade County Public Works Department for improvements to the subdivision where the school building is located. This amount is recorded as Cash Designated and included under Unrestricted Net Assets.

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounts receivable

Accounts receivable consists of pre-K tuition and after school care fees pending to be collected. Any bad debts are expensed in the subsequent period when they are determined to be uncollectible.

Due from Other Government or Agency

Due from other government agency consists of grants receivable which were collected in the subsequent year. Since all receivables were collected subsequent to year end, an allowance for doubtful accounts is not necessary.

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$750 on tangible personal property. Other costs incurred for repairs and maintenance is expensed as incurred. Capital assets are depreciated using the straight-line method. 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 operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	5 Years
Computer equipment and software	7 Years
Building and improvements	39 Years

Long-term Debt

In the government-wide financial statements, outstanding debt is reported as liabilities. Long term liabilities are due in more than one year.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Financing costs are reported as expenditures.

Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for expenditure and 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.

Comparative Data and Reclassifications

Comparative total data for the prior year have been presented only for the balance sheet and statement of revenues, expenditures and changes in fund balances for governmental funds in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Miami-Dade County (the "School Board") pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board 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 the School 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 the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

The School may also receive federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 3 – 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 4 – CAPITAL ASSETS**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2009:

	Balance 07/01/08	Additions	Deletions	Balance 06/30/09
Capital Assets				
Land	\$ 980,909	\$ -	\$ -	\$ 980,909
Building and Improvements	3,305,731	21,105	-	3,326,836
Furniture and Equipment	143,061	34,586	( 23,086)	154,561
Total Capital Assets	4,429,701	55,691	( 23,086)	4,462,306
Less Accumulated Depreciation				
Building and Improvements	( 243,989)	( 70,223)	-	( 314,212)
Furniture and Equipment	( 69,214)	( 23,392)	23,086	( 69,520)
Total Accumulated Depreciation	( 313,203)	( 93,615)	23,086	( 383,732)
Capital Assets, net	\$ 4,116,498	( \$ 37,924)	(\$ - )	\$ 4,078,574

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**NOTE 4 –CAPITAL ASSETS (Continued)**

Depreciation expense for the year ended June 30, 2009 was \$93,615.

**NOTE 5 – RELATED PARTIES**

Each of the co-directors of the School has relatives that serve on the School’s board of directors. The daughter of a co-director, when home from college, was employed on a part-time basis in the after care program. (See Note 7 – Notes Payable)

**NOTE 6 – LINE OF CREDIT**

The School has a \$50,000 line of credit agreement with a financial institution. This advances on the credit line are payable on demand and carry an interest rate of the financial institution’s Prime Rate plus 1.25%. The total outstanding balance at June 30, 2009 was \$0.

**NOTE 7 – NOTES PAYABLE**

On January 8, 2008, the School refinanced their note payable due to the high interest rate under the previous agreement signed on November 15, 2006. The new note is collateralized by the School’s building and land. The School’s co-directors are guarantors of the note payable. The School’s co-directors are guarantors of the note payable as required by the bank to facilitate securing the note to the School. Even though the co-directors are personal guarantors on the note, they do not hold, or are entitled to, any security interest on the School’s building and land as these assets were acquired with government funds. In addition, the board of directors signed a resolution that would pay each of the co-directors .5% of the total loan outstanding for each year that they are listed as guarantors of the loan. For the year ended June 30, 2009, the School’s co-directors were paid \$18,875 each for a total of \$37,750.

The School’s obligation under notes payable consists of the following:

	<u>Balance 07/01/08</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 06/30/09</u>
Note Payable, issued on January 8, 2008, with monthly payments of principal and interest totaling \$24,848, bearing interest of 6.20% based on the 7-year Treasury + 2.00%. The note matures on December 20, 2014.	\$ 3,797,372	\$ -	(\$ 69,085)	\$ 3,728,287

Maturities of long-term debt are as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2010	\$ 73,541
2011	78,141
2012	82,432
2013	88,186
2014	93,704
Thereafter	3,312,283
<b>TOTAL</b>	<u>\$ 3,728,287</u>

**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**NOTE 8 – DEPOSITS POLICY AND CREDIT RISK**

It is the School's policy to maintain its cash and cash equivalents in major banks and in high grade investments.

As of June 30, 2009, the carrying amount of the School's cash deposit accounts was \$556,955 (operating) and \$48,348 (agency) and the respective bank balances totaled \$544,261 (operating) and \$48,348 (agency). The amount of deposits at year end, were in compliance with the Federal Depository Insurance Corporation (FDIC) limit.

**NOTE 9 – GRANTS**

In the normal course of operations, the School receives grant funds from various federal, state and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements.

**NOTE 10 – FLORIDA RETIREMENT SYSTEM**

The School provides post-retirement benefits to its employee through the Florida Retirement System (FRS). The FRS is administered by the Division of Retirement in the State of Florida. During the year ended June 30, 2009, the School contributed \$147,464 to the FRS.



**CORAL REEF MONTESSORI ACADEMY CHARTER SCHOOL, INC.  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund Budget		Actual by Governmental Funds		
	Original Budget	Final Budget	All Funds Total	General Fund	Capital Fund
<b>REVENUES</b>					
State government grants	\$ 2,474,060	\$ 2,474,060	\$ 2,342,455	\$ 2,342,455	\$ -
Capital outlay funding and other grants	-	-	-	-	-
Charges for services and other grants	577,000	577,000	570,018	570,018	-
Interest and other income	10,000	10,000	31,710	31,710	-
<b>TOTAL REVENUE</b>	<b>\$ 3,061,060</b>	<b>\$ 3,061,060</b>	<b>\$ 2,944,183</b>	<b>\$ 2,944,183</b>	<b>-</b>
<b>EXPENDITURES</b>					
Instructional services	\$ 1,713,940	\$ 1,713,940	\$ 1,853,255	\$ 1,853,255	\$ -
Instructional and curriculum development services	20,000	20,000	-	-	-
Instructional staff training services	20,000	20,000	7,750	7,750	-
Board	10,000	10,000	10,112	10,112	-
General administration	12,000	12,000	-	-	-
School administration	413,306	413,306	374,936	374,936	-
Facilities acquisition, construction & other capital outlay	100,000	100,000	110,188	110,188	-
Fiscal services	27,800	27,800	19,012	19,012	-
Food services	63,445	63,445	64,579	64,579	-
Central services	123,000	123,000	105,383	105,383	-
Pupil transportation services	30,000	30,000	36,310	36,310	-
Operation of plant	198,000	198,000	189,434	189,434	-
Maintenance of plant	70,000	70,000	9,067	9,067	-
Debt services	170,000	170,000	299,230	299,230	-
<b>TOTAL EXPENDITURES</b>	<b>2,971,491</b>	<b>2,971,491</b>	<b>3,079,256</b>	<b>3,079,256</b>	<b>-</b>
Net change in fund balance	\$ 89,569	\$ 89,569	\$ (135,073)	\$ (135,073)	\$ -

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 of  
Coral Reef Montessori Academy Charter School, Inc.  
Miami, Florida

We have audited the basic financial statements of the governmental activities and each major fund of Coral Reef Montessori Academy Charter School, Inc., (the "School") a component unit of the District School Board of Miami-Dade County, as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 10, 2009. 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organizations 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 the entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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 entity'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. 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*.

This report is intended solely for the information and use of management, board of directors, the District School Board of Miami-Dade County, and the Auditor General of the State of Florida 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 10, 2009

## MANAGEMENT LETTER

Board of Directors of  
Coral Reef Montessori Academy Charter School, Inc.  
Miami, Florida

PEDRO M. DE ARMAS, C.P.A.  
OCTAVIO A. VERDEJA, C.P.A.  
MARIA C. PEREZ-ABREU, C.P.A.  
KATRINA Y. RAMOS, C.P.A.  
MARIO A. SARIOL, C.P.A.  
ALEJANDRO M. TRUJILLO, C.P.A.  
OCTAVIO F. VERDEJA, C.P.A.  
TAB VERDEJA, C.P.A.

We have audited the basic financial statements of the governmental activities and each major fund of Coral Reef Montessori Academy Charter School, Inc. (the "School") a non-major component unit of the District School Board of Miami-Dade County, as of and for the year ended June 30, 2009, and have issued our report dated September 10, 2009.

We conducted our audit in accordance with United States generally accepted auditing standards, 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 on Compliance and Other Matters. Disclosures in that report, which is dated September 10, 2009, 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 governs the conduct of charter school and similar entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings made in the preceding annual financial audit report.
- Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address 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 financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

- Section 10.854(1)(e)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures; (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.854(1)(e)6., Rules of the Auditor General, requires the name or official title of the school. The official title of the school is Coral Reef Montessori Academy Charter School, Inc.
- Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the school has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that Coral Reef Montessori Academy Charter School, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.854(1)(3)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor Coral Reef Montessori Academy Charter School, Inc.'s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

*Verdeja & De Armas, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 10, 2009