

RENAISSANCE MIDDLE
CHARTER SCHOOL
(A COMPONENT UNIT OF THE SCHOOL
BOARD OF MIAMI-DADE COUNTY, FLORIDA)

BASIC FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

June 30, 2009

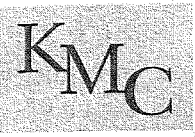


KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

RENAISSANCE MIDDLE CHARTER SCHOOL
 BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
 June 30, 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Renaissance Middle Charter School
Miami, Florida

We have audited the accompanying basic financial statements of the governmental activities, the General Fund, and the remaining fund information of Renaissance Middle Charter School (the "School"), a component unit of the School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

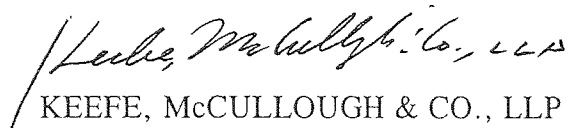
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund, and the remaining fund information of the School as of June 30, 2009, and the respective changes in financial 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 August 27, 2009 on our consideration of the School'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.

Renaissance Middle Charter School

The Management's Discussion and Analysis on pages 3 through 7, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The Statement of Revenues and Expenditures - General Fund - Management Format 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
August 27, 2009

MANAGEMENT'S DISCUSSION
AND ANALYSIS

RENAISSANCE MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

As management of Renaissance Middle Charter School (the "School"), a component unit of the School Board of Miami-Dade County, Florida, we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the years ended June 30, 2009 and 2008.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the past and current position of the School's financial condition. This summary should not be taken as a replacement for the audit which consists of the basic financial statements and other supplementary information.

FINANCIAL HIGHLIGHTS

Our basic financial statements provide these insights into the results of this year's operations.

- As of June 30, 2009, the School's fund balance was \$ 167,811.
- As of June 30, 2009, the School has net assets of \$ 257,934, as compared to \$ 250,873 as of June 30, 2008. The increase is a result of decreased expenditures during the year in spite of anticipated budget cuts.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other 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, 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 (e.g. uncollected revenues and services rendered but unpaid).

The government-wide financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instruction and instructional support services.

RENAISSANCE MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

The government-wide financial statements can be found on pages 8 and 9 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

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 provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains only one governmental fund type, which is the General Fund. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balance for the General Fund.

The School adopts an annual budget for its governmental fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 10 through 14 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 15 through 20 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning revenues and expenditures presented in a "management format" for the School's General Fund. Supplementary information can be found on Page 21 of this report.

RENAISSANCE MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The School has been in operation for four years; therefore, comparative government-wide data is presented. The School's net assets were \$ 257,934 at June 30, 2009. Of this amount, \$ 90,123 represents amounts invested in capital assets and \$ 167,811 represents amounts which are unrestricted. The School's net assets were \$ 250,873 at June 30, 2008. Of this amount, \$ 130,155 represented amounts invested in capital assets and \$ 120,718 represented amounts which were unrestricted. See financial highlights on page 3 of this report for an explanation of the reason for the change in net assets.

Our analysis in the table below focuses on the net assets of the School's governmental activities:

Renaissance Middle Charter School
Net Assets

	<u>June 30,</u> <u>2009</u>	<u>June 30,</u> <u>2008</u>
ASSETS:		
Current and other assets	\$ 256,855	\$ 251,062
Capital assets, net of depreciation	90,123	130,155
Total assets	<u>346,978</u>	<u>381,217</u>
LIABILITIES:		
Current liabilities	<u>89,044</u>	<u>130,344</u>
Total liabilities	<u>89,044</u>	<u>130,344</u>
NET ASSETS:		
Invested in capital assets	90,123	130,155
Unrestricted	<u>167,811</u>	<u>120,718</u>
Total net assets	<u>\$ 257,934</u>	<u>\$ 250,873</u>

Governmental Activities

The results of this year's operations for the School as a whole are reported in the statement of activities on page 9. The table below provides a condensed presentation of the School's revenues and expenses for the year ended June 30, 2009 and 2008:

Renaissance Middle Charter School
Change in Net Assets

	<u>June 30,</u> <u>2009</u>	<u>June 30,</u> <u>2008</u>
REVENUES:		
General revenues	\$ 730,331	\$ 768,767
Program revenues	<u>102,086</u>	<u>145,403</u>
Total revenues	<u>832,417</u>	<u>914,170</u>

RENAISSANCE MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Renaissance Middle Charter School
Change in Net Assets
(continued)

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
FUNCTIONS/PROGRAM EXPENSES:		
Instruction	365,461	347,530
Instructional support services	287,618	314,764
Operation of non-instructional services	<u>172,277</u>	<u>132,798</u>
Total governmental activities	<u>825,356</u>	<u>795,092</u>
Change in net assets	\$ <u><u>7,061</u></u>	\$ <u><u>119,078</u></u>

Governmental Fund Expenditures

In the table below, we have presented the cost of the largest functions/programs as a percentage of total governmental expenditures:

Functions/Programs	2009		2008	
	Expenditures	Percent	Expenditures	Percent
Governmental expenditures:				
Instructional expenditures	\$ 325,429	41.4%	\$ 312,764	39.1%
Administrative services	70,249	8.9%	88,644	11.1%
Plant operations and maintenance	193,116	24.6%	201,039	25.1%
Fiscal services	126,179	16.1%	73,508	9.2%
All other functions/programs	<u>70,351</u>	<u>9.0%</u>	<u>123,454</u>	<u>15.5%</u>
Total governmental expenditures	\$ <u><u>785,324</u></u>	<u><u>100.0%</u></u>	\$ <u><u>799,409</u></u>	<u><u>100.0%</u></u>

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues were in line with the budget amounts for the year and slightly favorable due to unbudgeted School Recognition Bonus Revenue for the school "grade" achievement. As this is a "pass through" item and does not impact the bottom line, the revenue nor expenditure for this item is included in the budget. Although FEFP funding was reduced in fiscal year 2009, enrollment levels offset these reductions as the budget included conservative enrollment projections. With the exception of textbook expenditures that were higher than planned, expenditures were in line or below budget for the year. Overall, expenses in all categories were scrutinized as a result of the reduction in FEFP funding.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

At June 30, 2009, the School had capital assets of \$90,123, net of accumulated depreciation, invested in computer equipment and furniture and equipment, as compared to \$130,155 at June 30, 2008.

RENAISSANCE MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The State of Florida has approved funding through the State Fiscal Stabilization Fund resulting in an increase of approximately 2% (per the funding estimate for July) for the FEFP program for the fiscal year 2009-2010. However, with Legislative sessions planned during the coming year, FEFP revenue has been planned conservatively. Capital outlay revenue is expected to remain roughly the same as the prior year. Student enrollment is expected to remain at full capacity, with a large waiting list. These factors were considered in preparing the School's budget for fiscal year 2009-2010.

REQUESTS FOR INFORMATION

If you have any questions about this report or need additional information, please write Lorrie Davidson, Vice President of Finance, Charter Schools USA, 6425 North Federal Highway, 5th Floor, Fort Lauderdale, Florida 33308.

BASIC
FINANCIAL STATEMENTS

RENAISSANCE MIDDLE CHARTER SCHOOL
STATEMENT OF NET ASSETS
June 30, 2009

A S S E T S

		Governmental Activities
CURRENT ASSETS:		
Cash and cash equivalents	\$	248,483
Due from other governments		5,794
Prepaid expenses and other assets		2,578
Total current assets		256,855
 NONCURRENT ASSETS:		
Capital assets (depreciable), net of accumulated depreciation		90,123
Total assets		346,978
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and other accrued expenses		24,505
Due to related party		64,539
Total current liabilities		89,044
COMMITMENTS (Note 7)		-
 NET ASSETS:		
Invested in capital assets		90,123
Unrestricted		167,811
Total net assets	\$	257,934

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

RENAISSANCE MIDDLE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

	Program Revenues			Governmental Activities
Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Assets
FUNCTIONS/PROGRAMS:				
Instruction:				
Regular instruction	\$ 349,719	\$ -	\$ -	\$ (349,719)
Exceptional instruction	15,742	-	-	(15,742)
Instructional support services:				
Instructional services	10,013	-	-	(10,013)
Administrative services	70,249	-	-	(70,249)
Plant operations and maintenance	193,116	-	79,466	(113,650)
Transportation	14,240	-	-	(14,240)
Operation of non-instructional services:				
Board services	8,567	-	-	(8,567)
Fiscal services	126,179	-	-	(126,179)
Food services	36,670	22,620	-	(14,050)
Central services	861	-	-	(861)
	<u>\$ 825,356</u>	<u>\$ 22,620</u>	<u>\$ -</u>	<u>(723,270)</u>
Total governmental activities				
	<u>\$ 825,356</u>	<u>\$ 22,620</u>	<u>\$ -</u>	<u>(723,270)</u>
General revenues:				
				729,561
				770
				730,331
				730,331
				7,061
				250,873
				250,873
				257,934
				\$ 257,934

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

RENAISSANCE MIDDLE CHARTER SCHOOL
 BALANCE SHEET - GOVERNMENTAL FUND
 June 30, 2009

A S S E T S

		General Fund
ASSETS:		
Cash and cash equivalents	\$	248,483
Due from other governments		5,794
Prepaid expenditures and other assets		2,578
Total assets	\$	256,855

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

LIABILITIES:		
Accounts payable and other accrued liabilities	\$	24,505
Due to related party		64,539
Total liabilities		89,044

FUND BALANCE:		
Reserved for:		
Prepaid expenditures and other assets		2,578
Unreserved		165,233
Total fund balance		167,811
Total liabilities and fund balance	\$	256,855

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

RENAISSANCE MIDDLE CHARTER SCHOOL
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 June 30, 2009

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
 STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE:

Total fund balances of governmental funds in the balance sheet, page 10	\$	167,811
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.

Governmental cost of capital assets	\$	200,156	
Less accumulated depreciation		<u>(110,033)</u>	<u>90,123</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 8	\$	<u><u>257,934</u></u>
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The accompanying notes to basic financial statements are an integral part of these statements.

RENAISSANCE MIDDLE CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2009

		General Fund
REVENUES:		
State sources	\$	818,082
Local sources		14,335
Total revenues		832,417
EXPENDITURES:		
Current:		
Instruction:		
Regular instruction		309,687
Exceptional instruction		15,742
Instructional support services:		
Instructional services		10,013
Administrative services		70,249
Plant operations and maintenance		193,116
Transportation		14,240
Operation of non-instructional services:		
Board services		8,567
Fiscal services		126,179
Food services		36,670
Central services		861
Total expenditures		785,324
Net change in fund balance		47,093
FUND BALANCE, July 1, 2008		120,718
FUND BALANCE, June 30, 2009	\$	167,811

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

RENAISSANCE MIDDLE CHARTER SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGE IN FUND BALANCE
OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND, PAGE 12	\$ 47,093
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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 depreciated over their estimated useful lives.

Less current year provision for depreciation	<u>(40,032)</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 9	\$ <u>7,061</u>
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The accompanying notes to basic financial statements are an integral part of these statements.

RENAISSANCE MIDDLE CHARTER SCHOOL
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
State sources	\$ 833,245	\$ 856,167	\$ 22,922
Local sources	<u>23,538</u>	<u>14,335</u>	<u>(9,203)</u>
Total revenues	<u>856,783</u>	<u>870,502</u>	<u>13,719</u>
 EXPENDITURES:			
Instruction:			
Regular instruction	326,143	309,687	16,456
Exceptional instruction	21,921	15,742	6,179
Instructional support services:			
Pupil personnel services	-	10,013	(10,013)
Instructional services	1,500	-	1,500
Administrative services	75,704	70,249	5,455
Transportation	14,400	14,240	160
Plant operations and maintenance	197,845	193,116	4,729
Operation of non-instructional services:			
Board services	15,000	8,567	6,433
Fiscal services	128,679	126,179	2,500
Food services	36,616	36,670	(54)
Central services	<u>38,891</u>	<u>38,946</u>	<u>(55)</u>
Total expenditures	<u>856,699</u>	<u>823,409</u>	<u>33,290</u>
Change in fund balance	\$ <u>84</u>	\$ <u>47,093</u>	\$ <u>47,009</u>

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

RENAISSANCE MIDDLE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - ORGANIZATION AND OPERATIONS

Renaissance Middle Charter School (the "School"), a component unit of the School Board of Miami-Dade County, Florida, was established in June 2005 as a public charter middle school to serve students from sixth to eighth grade in Miami-Dade County. The School is sponsored by its charter-holder, Renaissance Charter School, Inc., a Florida nonprofit corporation organized in August 1998. As of June 30, 2009, 129 students were enrolled in the School.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity:

The School operates under a charter granted by the sponsoring school district, the Miami-Dade County Public School District. The current charter is effective until June 30, 2015, and may be renewed for up to an additional fifteen years by mutual written agreement between the School and the Sponsor. 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 basic 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 basic financial statements.

Basis of presentation:

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide - Not-for-Profit Organizations and provisions of Section 228.056(10), Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

Government-wide statements:

The School's basic 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.

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.

RENAISSANCE MIDDLE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 provision for depreciation) by related program revenues, operating and capital grants and contributions. 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.

Fund financial statements:

The accounts of the School are organized on the basis of 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.

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

Measurement focus and basis of accounting:

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 governmental-wide statement uses the economic resources measurement focus.

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

The governmental funds 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 sixty days after year-end or soon enough thereafter to be used to pay liabilities of the current period.

Cash and cash equivalents:

The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

The School maintains its cash accounts with one financial institution. The School's accounts at this institution, at times, may exceed the federally insured limit. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk.

RENAISSANCE MIDDLE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition:

Student funding is provided by the State of Florida through the School Board. Such funding is recorded as entitlement revenue in the government-wide financial statements and state source revenue in the fund financial statements and is net of a 5% administration fee retained by the School Board. This funding is received on a pro rata basis over a twelve-month period and is adjusted for changes in full-time equivalent (FTE) student population.

Income taxes:

The School is a division of a nonprofit corporation. Revenue of the School is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these basic financial statements.

Capital assets:

Property and equipment purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost of \$ 750 and useful life of over one year. Donated property and equipment assets are valued at the estimated fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related fixed assets. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Computer equipment	3-5 years
Furniture and equipment	5-8 years

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.

Unrestricted - indicates that portion of net assets that is available to fund future operations.

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.

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.

RENAISSANCE MIDDLE CHARTER SCHOOL
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unreserved - indicates the portion of fund balance available to fund future operations.

Designations of fund balance represent tentative management plans that are subject to change.

Budget:

An operating budget is adopted and maintained by the governing board for the School pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the financial statements, except for the reporting of a 5% administration fee retained by the School Board.

A reconciliation of the General Fund presented on a budgetary basis to the amount presented in accordance with generally accepted accounting principles (GAAP) is as follows:

	Revenues	Expenditures
Budgetary basis, page 14	\$ 870,502	\$ 823,409
Less: 5% administration fee retained by the School Board included as revenue and expenditures on a budgetary basis	(38,085)	(38,085)
GAAP basis, page 12	\$ 832,417	\$ 785,324

NOTE 3 - DEPOSITS

At June 30, 2009, the bank balance and carrying amount of the deposits and cash on hand totaled \$ 248,483.

State statutes require, and it is the School's policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as "qualified public depositories" as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School's deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2009.

NOTE 4 - DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2009 consists of an amount due from the School Board for capital outlay as described in Note 11.

RENAISSANCE MIDDLE CHARTER SCHOOL
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2009

NOTE 5 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2009 are as follows:

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
Capital assets, depreciable:				
Computer equipment	\$ 164,922	\$ -	\$ -	\$ 164,922
Furniture and equipment	<u>35,234</u>	<u>-</u>	<u>-</u>	<u>35,234</u>
Total capital assets, depreciable	<u>200,156</u>	<u>-</u>	<u>-</u>	<u>200,156</u>
Accumulated depreciation:				
Computer equipment	60,658	32,985	-	93,643
Furniture and equipment	<u>9,343</u>	<u>7,047</u>	<u>-</u>	<u>16,390</u>
Total accumulated depreciation	<u>70,001</u>	<u>40,032</u>	<u>-</u>	<u>110,033</u>
Net capital assets	<u>\$ 130,155</u>	<u>\$ (40,032)</u>	<u>\$ -</u>	<u>\$ 90,123</u>

Provision for depreciation was charged to governmental activities as follows:

Instruction - regular	\$ <u>40,032</u>
-----------------------	------------------

NOTE 6 - LEASES

The School previously entered into an operating lease agreement with Renaissance Elementary Charter School for the use of its premises. The lease expires in 2019. The School's portion of the monthly payments is \$ 9,457. In addition, the School is required to pay a portion of the operating expenses associated with the leased premises. The portion of rent and other operating expenses paid by the School is allocated according to the number of students in attendance.

During the year, the School also shared an operating lease agreement with Renaissance Elementary School for the lease of office equipment. The lease expired in June 2009 and required monthly payments of \$ 121.

Future minimum lease payments required under long-term noncancelable operating leases at June 30, 2009 are approximately as follows:

Year Ending June 30,	Operating Leases
2010	\$ 113,500
2011	113,500
2012	113,500
2013	113,500
2014	113,500
Thereafter	567,400

Rent totaled \$ 114,933 for the year ended June 30, 2009.

RENAISSANCE MIDDLE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 - COMMITMENTS

The School has a formal agreement with Charter Schools USA, Inc. (CSUSA) to manage, staff, and operate the School. The agreement states that CSUSA shall receive all revenues minus certain expenses paid by the Board directly as its gross revenue, from which it pays all other operating costs of the School identified in the budget approved by the Board. CSUSA is entitled to retain as compensation for its services the difference, if any, between the amount of the School's revenues and the amount of revenues expended by CSUSA in the course of operation and management of the School. The agreement expires in June 2020.

For the fiscal year ended June 30, 2009, the amount of compensation received by CSUSA was \$ 125,076, which represented compensation for operating the School. The School owes CSUSA \$ 24,045 for services rendered. This amount is included in accounts payable.

NOTE 8 - EMPLOYEE BENEFIT PLAN

During the year ended June 30, 2009, the School offered all of its full-time employees who had attained 21 years of age, a retirement plan under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 20% of his/her annual gross compensation, subject to certain limitations.

NOTE 9 - DUE TO RELATED PARTY

Both the School and Renaissance Charter Elementary School are related, as they both share common board membership and are managed by CSUSA. These two schools share teachers, administrative staff, and share expenses, which include rent and other operating expenses. As of June 30, 2009, the basic financial statements include an amount due to related party in the amount of \$ 64,539, representing short-term advances for such expenses mentioned above.

NOTE 10 - 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 past four years.

As disclosed in Note 7, CSUSA employs all of the employees of the School. As a result, the School is not exposed to medical or workers' compensation claims for these individuals. In addition, CSUSA carries all required insurance including, but not limited to, general liability and errors and omissions insurance.

NOTE 11 - CAPITAL APPROPRIATIONS FUNDING

The Florida Department of Education has approved a Charter School Capital Outlay (CSCO) award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes those funds are allocated among eligible charter schools. The funds for the School's allocation are transferred to the School once a CSCO Plan has been provided to and approved by the sponsoring district. The School's CSCO award totaled \$ 79,466 for the 2008/2009 school year, which has been recognized as revenue in the accompanying basic financial statements. An amount of \$ 5,856 is due from the Florida Department of Education at June 30, 2009 (Note 4). If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the event of non-renewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The School has elected to use these funds to pay its portion of the lease expense on the facility.

SUPPLEMENTARY
INFORMATION

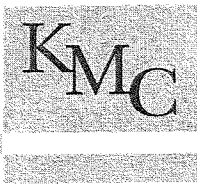
RENAISSANCE MIDDLE CHARTER SCHOOL
 STATEMENT OF REVENUE AND EXPENDITURES -
 GENERAL FUND - MANAGEMENT FORMAT

For the Year Ended June 30, 2009

Account	300 Purchased Services	400 Energy Services	500 Materials and Supplies	600 Capital Outlay	700 Other Expenses	Totals
REVENUES:						
State sources	3300					\$ 847,324
Local sources	3400					<u>23,178</u>
Total revenues						<u>870,502</u>
EXPENDITURES:						
Instruction	5000	\$ 304,090	\$ 20,839	\$ 500	--	325,429
Pupil personnel services	6100	10,013	--	--	--	10,013
Board services	7100	8,567	--	--	--	8,567
School administration	7300	66,200	1,606	2,443	--	70,249
Fiscal services	7500	126,179	--	--	--	126,179
Food service	7600	18,628	18,042	--	--	36,670
Central services	7700	38,946	--	--	--	38,946
Pupil transportation services	7800	14,240	--	--	--	14,240
Operation of plant	7900	153,783	2,868	--	2,286	174,578
Maintenance of plant	8100	18,538	--	--	--	18,538
Total expenditures	\$ 759,184	\$ 15,641	\$ 43,355	\$ 2,943	\$ 2,286	<u>823,409</u>

Change in fund balance \$ 47,093

OTHER INDEPENDENT
AUDITORS' REPORTS



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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
Renaissance Middle Charter School
Miami, Florida

We have audited the basic financial statements of governmental activities, the General Fund, and the aggregate remaining fund information of Renaissance Middle Charter School (the "School"), a component unit of the School Board of Miami-Dade County, Florida, as of June 30, 2009, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 27, 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 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.

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.

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.

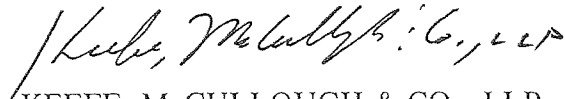
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any 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 a certain matter that we reported to management of the School in a separate letter as noted on pages 26 and 27.

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


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
August 27, 2009



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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors
Renaissance Middle Charter School
Miami, Florida

We have audited the basic financial statements of governmental activities, the General Fund, and the aggregate remaining fund information of Renaissance Middle Charter School (the "School"), a component unit of the School Board of Miami-Dade County, Florida, as of June 30, 2009, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 27, 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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters. Disclosures in that report, which is dated August 27, 2009, should be considered in conjunction with this management letter.

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

1. 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. The status of the prior year's corrective actions have been reported in the accompanying schedule of findings and recommendations on page 27.
2. 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 new recommendations.
3. 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.

4. 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 (e.g., the omission of required disclosures from the annual financial statements); (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.
5. 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 Renaissance Middle Charter School.
6. Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the school has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Renaissance Middle Charter School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
7. Pursuant to Sections 10.854(1)(3)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Renaissance Middle Charter School'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.

This management letter is intended solely for the use and information of the School's management, the Board of Directors, the Auditor General of the State of Florida and the School Board of Miami-Dade County, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
August 27, 2009



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INDEPENDENT AUDITORS' REPORT TO MANAGEMENT

To the Board of Directors
Renaissance Middle Charter School
Miami, Florida

In planning and performing our audit of the financial statements of Renaissance Middle Charter School (the "School"), for the year ended June 30, 2009, we considered the School's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal controls.

However, during our audit we became aware of a certain matter that represents an opportunity for you to strengthen your internal controls and operating efficiencies. This letter includes our comment and recommendation. This letter does not affect our separate report dated August 27, 2009 on the financial statements of Renaissance Middle Charter School.

The enclosed comment is not intended to reflect on the honesty, integrity, or competence of the employees of the School, but is mentioned only to aid you in improving existing procedures and internal controls.

After you have had an opportunity to consider our comment and recommendation, we would be happy to discuss it with you at your convenience.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
August 27, 2009

RENAISSANCE MIDDLE CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2009

PRIOR YEAR COMMENTS AND RECOMMENDATIONS STILL APPLICABLE:

Maintain fixed asset inventory:

During the audit, we observed that an inventory of fixed assets is not taken. We recommend that the client perform a complete inventory at the School location and implement an inventory tracking system

Management's response:

Management has recognized that a lack of a formal fixed asset inventory system is a weakness. As a result, management has been engaged in a search for an inventory company to perform a full fixed asset inventory, as well as provide a computerized system to manage the fixed asset inventory going forward. Several companies have been interviewed and proposals have been submitted and reviewed. Management expects to make a decision and move forward with one of the options presented within the next 90 to 120 days.

Current status:

As of year end, the school has completed a full inventory of fixed assets and has implemented an inventory tracking system. They are in the process of reconciling the inventory to their general ledger. It is expected that this will be completed during the next fiscal year.

Update internal control procedures:

During the audit, we noted that the existing accounting procedures manual does not reflect the procedures actually in use because it has not been updated as changes were made in procedures. Any changes in the accounting procedures manual, as well as existing internal controls, should be documented and communicated on a regular basis to all affected persons. This will enable management to monitor the applicability of the manual. We recommend that a signature and date be attached to each updated manual and a policy be established for its regularly scheduled review and update.

Management's response:

Management has recognized that the accounting procedures manual needs to be updated. A committee has been formed and meets on a regular basis to review policies and internal control procedures and to update them as necessary. Management expects this process to continue over the next six months. However, as policies and procedures are finalized, affected staff will be properly trained on the new policies and procedures.

Current status:

As of year end, the accounting procedures manual has been updated for two accounting processes, cash receipts and purchasing. These procedures will be implemented for the upcoming fiscal year. The remaining accounting procedures will be updated during this year as well.

CURRENT YEAR COMMENTS AND RECOMMENDATIONS

NONE