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**ASPIRA YOUTH LEADERSHIP CHARTER SCHOOL**  
**A Program of ASPIRA OF FLORIDA, INC.**  
**(a nonprofit organization)**

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

**FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

**ASPIRA YOUTH LEADERSHIP CHARTER SCHOOL**  
**A Program of ASPIRA OF FLORIDA, INC.**  
**(a nonprofit organization)**

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**INDEPENDENT AUDITORS' REPORT**

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Alberni, Caballero  
& Company, L.L.P.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Officers of  
ASPIRA of Florida, Inc.  
Miami, Florida

We have audited the accompanying special purpose financial statements of ASPIRA Youth Leadership Charter School (the "School"), a program of ASPIRA of Florida, Inc. (a nonprofit organization) as of and for the fiscal years ended June 30, 2010 and 2009 as listed in the table of contents. These special purpose financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

We conducted our audits 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As explained in Note 1 to the special purpose financial statements, the financial statements being presented are only for the School referred to above, which is a program of ASPIRA of Florida, Inc. The special purpose financial statements do not include the statement of financial position, activities and cash flows of ASPIRA of Florida, Inc. (a nonprofit organization). Accordingly, the accompanying special purpose financial statements are not intended to present the financial position of ASPIRA of Florida, Inc. as of June 30, 2010 and 2009 or its results of operations and cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2010 and 2009, and the changes in its net assets and cash flows for the fiscal years 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 a report dated August 27, 2010 on our consideration of the School's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and 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 read in conjunction with this report in considering the results of our audit.

To the Board of Directors and Officers of  
ASPIRA of Florida, Inc.

Our audit was made for the purpose of forming an opinion on the special purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards programs is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and is also not a required part of the special purpose financial statements of the School. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the special purpose financial statements taken as a whole.

*Alberni Caballero & Company, LLP*

Coral Gables, Florida  
August 27, 2010

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**SPECIAL PURPOSE FINANCIAL STATEMENTS**

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**ASPIRA YOUTH LEADERSHIP CHARTER SCHOOL**  
**A Program of ASPIRA of FLORIDA, INC.**  
**(a nonprofit organization)**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>		
Current assets:		
Due from the Miami-Dade County School Board		
-State of Florida Capital Outlay Distribution	\$ 31,504	\$ 133,878
Due from ASPIRA of Florida, Inc.	<u>1,017,800</u>	<u>846,684</u>
Total current assets	<u>1,049,304</u>	<u>980,562</u>
Capital Assets, Net	<u>597,498</u>	<u>686,360</u>
Total assets	<u>\$ 1,646,802</u>	<u>\$ 1,666,922</u>
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Current portion of capital lease	\$ 30,840	\$ 27,837
Total current liabilities	<u>30,840</u>	<u>27,837</u>
Long-term liabilities:		
Compensated absences	25,736	24,784
Capital lease	<u>37,978</u>	<u>68,253</u>
Total long-term liabilities	<u>63,714</u>	<u>93,037</u>
<b><u>NET ASSETS</u></b>		
Net Assets:		
Temporarily restricted	-	133,878
Unrestricted	<u>1,552,248</u>	<u>1,412,170</u>
Total net assets	<u>1,552,248</u>	<u>1,546,048</u>
Total liabilities and net assets	<u>\$ 1,646,802</u>	<u>\$ 1,666,922</u>

**ASPIRA YOUTH LEADERSHIP CHARTER SCHOOL**  
**A Program of ASPIRA OF FLORIDA, INC.**  
**(A nonprofit organization)**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b><u>Changes in Unrestricted Net Assets</u></b>		
Support and revenue		
Local-FTE	\$ 3,158,152	\$ 2,627,877
Federal grants	535,983	448,740
Local grants	25,074	20,870
Other	121,920	135,600
Interest	12,644	12,024
Total revenues	<u>3,853,773</u>	<u>3,245,111</u>
Net assets released from restrictions		
Satisfaction of program restrictions	<u>463,797</u>	<u>421,508</u>
Total net assets released from restrictions	<u>463,797</u>	<u>421,508</u>
	<u>4,317,570</u>	<u>3,666,619</u>
<b>Expenses:</b>		
Instruction (Teachers)	1,765,609	1,431,238
Pupil personnel services	100,042	118,356
Instructional media service	-	13,892
Instructional and curriculum development services	22,350	2,115
General administration	160,165	132,693
School administration	354,986	316,615
Fiscal services	9,385	6,695
Student transportation services	263,712	173,172
Operation of plant	818,964	611,081
Maintenance of the plant	154,185	143,032
Food services	365,744	290,209
Community services	55	846
Interest	10,364	11,661
Depreciation	151,931	146,652
Total expenses	<u>4,177,492</u>	<u>3,398,257</u>
Increase in unrestricted net assets	<u>140,078</u>	<u>268,362</u>
<b><u>Changes in Temporarily Restricted Net Assets</u></b>		
Contributions and grants	329,919	278,108
Net assets released from restrictions	<u>(463,797)</u>	<u>(421,508)</u>
(Decrease) in temporarily restricted net assets	<u>(133,878)</u>	<u>(143,400)</u>
Increase in net assets	<u>6,200</u>	<u>124,962</u>
Net assets, beginning (2009 restated)	<u>1,546,048</u>	<u>1,421,086</u>
Net assets, ending	<u>\$ 1,552,248</u>	<u>\$ 1,546,048</u>



**ASPIRA YOUTH LEADERSHIP CHARTER SCHOOL**  
**A Program of ASPIRA OF FLORIDA, INC.**  
**(A nonprofit organization)**  
**STATEMENTS OF CASH FLOWS**  
**FISCAL YEARS ENDED JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 6,200	\$ 124,962
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	151,931	146,652
(Increase) decrease in:		
Due from School Board of Miami-Dade County		
-State of Florida Capital Outlay Distribution	102,374	143,400
Increase (decrease) in:		
Due to/from ASPIRA of Florida, Inc., net	(171,116)	(180,208)
Compensated absences	<u>952</u>	<u>15,925</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>90,341</u>	<u>250,731</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(63,069)</u>	<u>(227,293)</u>
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<u>(63,069)</u>	<u>(227,293)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease	<u>(27,272)</u>	<u>(23,438)</u>
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<u>(27,272)</u>	<u>(23,438)</u>
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>-</u>	<u>-</u>
 <b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>-</u>	<u>-</u>
 <b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ -</u>	<u>\$ -</u>
 <b>INTEREST PAID</b>	<u>\$ 10,364</u>	<u>\$ 11,661</u>
 <b>SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS</b>		
Capital assets purchased under capital lease	<u>\$ -</u>	<u>\$ 119,528</u>

**ASPIRA YOUTH LEADERSHIP CHARTER SCHOOL**  
**A Program of ASPIRA OF FLORIDA, INC.**  
**(a nonprofit organization)**  
**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**JUNE 30, 2010 and 2009**

**I. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

ASPIRA of Florida, Inc. (the "Organization") was incorporated on March 2, 1981 in the State of Florida, and is a non-profit organization operating in Miami-Dade, Broward and Palm Beach counties.

The overall purpose of the Organization is to foster the social advancement of the Puerto Rican/Latino community by empowering its youth in the pursuit of educational excellence through leadership development programs that emphasize commitment to the community. ASPIRA's programs are grouped into two major categories: a) Youth Leadership Development/Outreach (YLD) and b) Youth Leadership Charter Schools.

On April 14, 1999, the Miami-Dade County School Board approved the application submitted by the Board of Directors of ASPIRA of Florida, Inc. for the creation of the ASPIRA Youth Leadership Charter School (the "School"). The School is accounted for as program of the Organization. The governing body of the School is the Organization's Board of Directors.

The School operates under a charter of the sponsoring school district, the Miami-Dade County School Board (the "School Board"). The School's charter was approved by the Board of Directors on June 24, 1999 and is effective until June 30, 2017. The charter may be renewed for up to an additional five (5) years by mutual written 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 charter's termination. Pursuant to Section 228.056(11)(e), Florida Statutes, the charter school contract provides that in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds automatically revert to the School Board. During the term of the charter, the School Board may also terminate the charter if good cause is shown.

**Enrollment and Grade Configuration**

<u>School Name and Address</u>	<u>Location No.</u>	<u>Grades</u>	<u>Enrollment</u>	<u>School Principal</u>
ASPIRA Youth Leadership Charter School 13300 Memorial Highway North Miami, FL 33161	6020	6 <sup>th</sup> , 7 <sup>th</sup> , and 8 <sup>th</sup>	559	Iliana D. Pena

**Governance Structure**

The Board of Directors of ASPIRA of Florida, Inc. governs the School through the School's Advisory Council (governing board). The Board of Directors of ASPIRA of Florida, Inc. consists of the following members:

Victor Vazquez-Hernandez, Ph.D	Chairperson
Ruth E. Pacheco	Vice-Chair Fund Raising
Miream Sierra, MBA	Vice-Chair Programs and Planning
Edward Hernandez, Esq.	Secretary
Tulia Badillo	Treasurer
Alvaro D. Alberttis	Board member
Aymet Chaples	Interim President and CEO (non-voting member)

### **School Advisory Councils (SAC)**

The SAC's are composed of the Board Chair and one other Board member, the President and CEO, Vice-President of Charter School Operations, the School Principal (a non-voting member), and a parent representative.

Chairperson	Victor Vazquez-Hernandez
Board member	Miream Sierra
Board member	Alvaro D. Alberttis
Parent representative	Wendy B. Jones
Interim President and CEO	Aymet Chaples (*)
Principal	Iliana D. Pena (*)

(\*) Non Voting Member

### Financial Statement Presentation

For financial reporting purposes, ASPIRA Youth Leadership Charter School is a program of ASPIRA of Florida, Inc. and is included in the Organization's annual financial statements.

The special purpose financial statements present the financial position, activities and cash flows of ASPIRA Youth Leadership Charter School only and do not include the assets, liabilities, net assets and statements of activities and cash flows of ASPIRA of Florida, Inc. (a nonprofit organization). Accordingly, the accompanying special purpose financial statements are not intended to present the financial position of ASPIRA of Florida, Inc. as of June 30, 2010 and 2009 or its results of operations and cash flows for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

### Promises to Give

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The School uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

### Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Funds provided by the School Board through the State's Charter School Capital Outlay Funding pursuant to Section 228.0561 of the Florida Statutes are recorded as temporarily restricted support until the Organization submits a Capital Outlay Plan to the School Board and the School Board accepts the Capital Outlay Plan and releases the funds.

Funds received from the Miami-Dade County Public School Board (the "School Board") and the State of Florida for the operations of the School are recorded as exchange transactions.

### Cash and Cash Equivalents

For purposes of the statement of cash flows, short-term marketable investments purchased with an original maturity date of three months or less are considered to be cash equivalents.

### Capital Assets

Capital assets consist of buildings, leasehold improvements, furniture and equipment, and textbooks, are recorded at cost and depreciated using the straight-line method over a three to ten year estimated useful lives or in the case of leasehold improvements over the life of the lease. Contributed property and equipment is recorded at fair value at the date of donation. The School capitalizes assets with cost greater than \$500 and a useful life greater than one year.

Repairs and maintenance are expensed as incurred. Improvements which increase the life of the assets are capitalized. The carrying amount of assets sold are retired and the related accumulated depreciation is eliminated in the year of disposal and the resulting gain or loss is credited or charged to operations.

### Due To/From ASPIRA of Florida, Inc.

The School is accounted for as a program of ASPIRA of Florida, Inc. under a pooled cash system. All cash is received/paid by the Organization and Due To/From accounts are debited or credited for amounts owed to or due from the School. Interest earned on funds held by the Organization on behalf of the School is allocated back to the School based on the balances of the Due To/From at year end.

### Compensated Absences

Non-instructional employees of the School earn a vested right to compensation for unused vacation and sick time up to a maximum of 240 hours for vacation and 160 hours for sick time based on their years of service. Upon separation from employment, only unused vacation time is paid to the employee. Accordingly, the School has made an accrual for vacation time compensation that employees have earned but not taken.

### Revenue Sources

Student funding is provided by the State of Florida through the School Board of Miami-Dade County, Florida. Such funding is recorded as Full-Time Equivalent (FTE) nonspecific revenue. In accordance with the Charter Agreements, the School Board retains two percent as an administrative fee. This funding is received on a pro rata basis over the twelve month period and is adjusted for changes in full-time equivalent student population. After review and verification of FTE reports and supporting documentation, the Florida Department of Education may adjust subsequent fiscal period allocations of FTE funding for prior year's errors by its review as well as to prevent the statewide allocation from exceeding the amount authorized by the State Legislature. Normally, such adjustments are reported in the year the adjustments are made.

### Income Taxes

The Organization; and therefore the School; is a not-for-profit organization that is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as a public supported organization.

### Use of Estimates

The preparation of financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. These estimates include assessing the collectibility of receivables, the use and recoverability of inventory, and the useful lives and impairment of tangible assets. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statement in the period they are determined to be necessary. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

## II. TEMPORARILY RESTRICTED NET ASSETS

### Capital Outlay Funds

During 2010 and 2009, the School Board received an additional \$329,919 and \$278,108; respectively, of Section 228.0561, F.S., Charter Schools Capital Outlay Funding from the State on behalf of the School. The funds have been deposited with the School Board and will be distributed once the School incurs expenses in accordance with approved Capital Outlay Plans by the School Board and follow other guidelines developed by the Florida Department of Education. As of June 30, 2010 and 2009, the School has recorded a receivable from the School Board of \$31,504 and \$133,878; respectively, of which \$-0- and \$133,878 have been recorded as temporarily restricted support. In 2010 and 2009, the School released \$463,797 and \$421,508; respectively, from restrictions by incurring expenses in accordance with approved Capital Outlay Plans.

## III. CAPITAL ASSETS

Capital assets consist of the following:

	June 30,	
	<u>2010</u>	<u>2009</u>
Buildings and building improvements	\$ 528,326	\$ 528,326
Leasehold improvements	282,837	282,837
Furniture and equipment	265,015	258,657
Textbooks	<u>188,874</u>	<u>133,133</u>
	1,265,052	1,202,953
Less: Accumulated depreciation	<u>(667,554)</u>	<u>(516,593)</u>
	<u>\$597,498</u>	<u>\$686,360</u>

## IV. 403 (b) THRIFT RETIREMENT PLAN

Effective July 1, 1997, the Organization established a 403 (b) Thrift Retirement Plan (the "Plan") created in accordance with Internal Revenue Service Code Section 403(b) for all full-time employees of the Organization. Employees of the School are eligible to participate in the Plan. There are no minimum age or service requirements to contribute to the Plan and employees may contribute up to 16% of their gross salary. Employer contributions equal 100% of the first 2% of the participants' gross salary. To be eligible for employer contributions, the participant must be at least 21 years of age and have provided one year of service. Employer contributions are 100% vested upon the participant's 65th birthday, or if earlier, upon completion of a three year vesting period. As of June 30, 2010 and 2009, there were 28 and 30, employees from the School participating in the Plan. For the fiscal year ended June 30, 2010 and 2009, the School contributed approximately \$21,500 and \$21,700 to the Plan; respectively.

The Plan is held in a trust for the exclusive benefit of the participants and their beneficiaries, consequently, the School has no fiduciary responsibility therefore the net assets of the Plan are not included in the School's special purpose financial statements.

## V. RELATED PARTY TRANSACTIONS

### **School Facilities Lease**

In 2007, the School entered into a long-term operating lease for its facilities, with ASPIRA of Florida, Inc. The lease called for monthly rental payments of \$20,000 per month starting on July 1, 2006 through June 30, 2017. Effective January 1, 2009, the lease was amended and approximately 35,000 square feet was added to the ASPIRA North School facility for a total of 45,000 square feet. The monthly rental payments were increased to \$160,843 per quarter and extended to June 30, 2018. The School also has three ten year renewal options.

Rent expense paid to ASPIRA of Florida, Inc. totaled approximately \$643,000 for 2010 and \$451,000 for 2009 and is included under "Operation of Plant" in the statement of activities.

The minimum future rentals to be paid by the School are as follows:

<u>June 30.</u>	
2011	\$643,370
2012	643,370
2013	643,370
2014	643,370
2015	643,370
2016-2018	<u>1,930,110</u>
	<u>\$5,146,960</u>

#### **VI. CAPITAL LEASE**

The School entered into a capital lease for equipment with a capitalized cost of \$119,528. Accumulated depreciation in the statement of financial position included \$43,030 relating to this leased equipment. Depreciation expense reported in the 2010 statement of activities includes \$23,906 for the equipment under capital lease.

Future minimum lease payments are as follows:

<u>June 30.</u>	
2011	\$30,840
2012	34,874
2013	<u>3,104</u>
	<u>\$68,818</u>

The imputed interest necessary to reduce the net minimum lease payments to present value is considered immaterial.

#### **VII. COMMITMENTS AND CONTINGENCIES**

##### Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the School. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

#### **VIII. RISK MANAGEMENT**

Insurance for general liability, automotive liability, and property coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage.

#### **IX. MANAGEMENT FEE**

Pursuant to the Charter School contract with the School Board, the School Board is paid a management fee of 5% of the qualifying revenues of the School. For the fiscal years ended June 30, 2010 and 2009, management fees paid to the School Board amounted to \$166,219 and \$138,309; respectively.

**X. PRIOR PERIOD ADJUSTMENT**

Unrestricted net assets as of June 30, 2008 have been adjusted for compensated absences owed to non-instructional employees of the School. The effect of these corrections decreased beginning unrestricted net assets for 2009 by \$8,859.

The following restatements resulted in adjustments to June 30, 2008 net assets, as follows:

Balance at June 30, 2008	\$1,429,945
Adjustments to Net Assets:	
To record compensated absences as of June 30, 2008	<u>(8,859)</u>
Restated Balance at June 30, 2008	<u>\$1,421,086</u>

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**COMPLIANCE SECTION**

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Alberni, Caballero  
& Company, L.L.P.

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

To the Board of Directors and Officers of  
ASPIRA of Florida, Inc.  
Miami, FL

We have audited the special purpose financial statements of the ASPIRA Youth Leadership Charter School (the "School"); a program of ASPIRA of Florida, Inc., as of and for the fiscal year ended June 30, 2009, and have issued our report dated August 27, 2010. 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 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 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.

To the Board of Directors and Officers of  
ASPIRA of Florida, Inc.

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 Standard*.

The School's responses to the recommendations identified in our audit are described in the accompanying schedule of recommendations. We did not audit the School's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors of ASPIRA Florida, Inc., management, the Auditor General of the State of Florida, the U.S. Department of Education and the Miami-Dade County School Board and is not intended to be and should not be used by anyone other than those specified parties.

Coral Gables, Florida  
August 27, 2010



Alberni, Caballero  
& Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS  
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors and Officers of  
ASPIRA of Florida, Inc.  
Miami, FL

Compliance

We have audited the compliance of the ASPIRA Youth Leadership Charter School (the "School"); a program of ASPIRA of Florida, Inc., with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the fiscal year ended June 30, 2010. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School's management. Our responsibility is to express an opinion on the School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

In our opinion, the School complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

The management of the School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

To the Board of Directors and Officers of  
ASPIRA of Florida, Inc.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program 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 material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors of ASPIRA Florida, Inc., management, the Auditor General of the State of Florida, the U.S. Department of Education and the Miami-Dade County School Board and is not intended to be and should not be used by anyone other than those specified parties.

*Alberni Caballero & Company, LLP*

Coral Gables, Florida  
August 27, 2010

**ASPIRA YOUTH LEADERSHIP CHARTER SCHOOL**  
**A Program of ASPIRA of FLORIDA, INC.**  
**(a nonprofit organization)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Federal Agency, Pass-through Entity <u>Federal Program</u>	<u>CFDA Number</u>	<u>Contract Grant Number</u>	<u>Expenditures</u>
<b><i>U.S. Department of Education</i></b>			
Indirect Programs:			
Pass-Through the Miami-Dade County Public School Board			
Title I_State Grant	84.010	N/A	\$ <u>188,121</u>
<b><i>Total U.S. Department of Education</i></b>			<u>188,121</u>
<b><i>U.S. Department of Agriculture</i></b>			
Indirect Programs:			
Pass-Through State of Florida Department of Education			
National School Lunch Program (NSLP)	10.555	01-0410	246,474
School Breakfast Program (SBP)	10.553	01-0410	<u>101,388</u>
Total Child Nutrition Cluster			<u>347,862</u>
<b><i>Total U.S. Department of Agriculture</i></b>			<u>347,862</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>535,983</u></b>

N/A - Not Available

**ASPIRA YOUTH LEADERSHIP CHARTER SCHOOL**  
**A Program of ASPIRA OF FLORIDA, INC.**  
**(a nonprofit organization)**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**1. GENERAL**

The Schedule of Expenditures of Federal Awards included herein represents all of the Federal grant awards of ASPIRA Youth Leadership Charter School (the "School") over which the School exercised direct operating control for the fiscal year ended June 30, 2010.

**2. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting and includes expenses incurred by the School during its fiscal year July 1, 2009 to June 30, 2010.

**3. SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133**

All Federal grant operations of the School are included in the scope of the Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB *Circular A-133 Compliance Supplement* (Revised March 2010, the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. These programs represent all of the Federal award programs with 2010 expenditures that ensure coverage of at least 25% of Federally granted funds, as the School qualified to be audited as a low risk auditee. Actual coverage is approximately 35% of total cash Federal award program expenses.

<u>Major Federal Award Program Description</u>	<u>Expenditures</u>
Title I_State Grant	<u>\$188,121</u>



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**MANAGEMENT LETTER REQUIRED BY CHAPTER 10.850 RULES  
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Directors and Officers of  
ASPIRA of Florida, Inc.  
Miami, FL

We have audited the special purpose financial statements of the ASPIRA Youth Leadership Charter School (the "School"); a program of ASPIRA of Florida, Inc., as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated August 27, 2010.

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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditors' Report on Compliance with Requirements Applicable to each Major Federal Program and on Internal Control over Compliance, and Schedule of Recommendations; which are dated August 27, 2010, and 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, Charter School Audits*, which govern 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 auditors' report:

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. Recommendations made in the preceding financial audit report have been addressed.
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. Recommendations to improve the School's financial management, accounting procedures and internal controls have been included in the Schedule of Recommendations that follows this letter.
3. Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, 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 have an inconsequential effect on the financial statements considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. 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 name and title are disclosed in the accompanying special purpose financial statements.

To the Board of Directors and Officers of  
ASPIRA of Florida, Inc.

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 School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
7. Pursuant to Sections 10.854(1)(e)7.a. and 10.855(10), Rules of the Auditor General, we have applied financial condition assessment procedures. It is management's responsibility to monitor the 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is 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 the Board of Directors of ASPIRA of Florida, Inc., School's management, 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 those specified parties.

*Alberni Caballero & Company, LLP*

Coral Gables, Florida  
August 27, 2010



**ASPIRA YOUTH LEADERSHIP CHARTER SCHOOL**  
**A Program of ASPIRA OF FLORIDA, INC.**  
**(a nonprofit organization)**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**A. SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiency identified not considered to be material weaknesses?	No
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiency identified not considered to be material weaknesses?	No

Type of auditors' report issued on compliance for major programs:	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No
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Identification of major programs:

\_\_\_\_\_ Program \_\_\_\_\_ CFDA #

Title I_State Grant	84.010
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Dollar threshold used to distinguish between Type A and Type B Programs:	\$ 300,000
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Auditee qualified as low risk auditee?	Yes
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**ASPIRA YOUTH LEADERSHIP CHARTER SCHOOL**  
**A Program of ASPIRA OF FLORIDA, INC.**  
**(a nonprofit organization)**  
**SCHEDULE OF RECOMMENDATIONS**  
**FISCAL YEAR ENDED JUNE 30, 2010**

**I. CURRENT YEAR FINANCIAL STATEMENT RECOMMENDATIONS**

**2010-1 FINANCIAL AND PROGRAM COST ACCOUNTING AND REPORTING FOR FLORIDA SCHOOLS ("RED BOOK")**

In accordance with Florida Statute 1002.33(9)(g), in order to provide financial information that is comparable to that reported for other public schools, a charter school must maintain all financial records that constitute its accounting system in accordance with the accounts and codes prescribed in the most recent issuance of the publication titled "Financial and Program Cost Accounting and Reporting for Florida Schools" or more commonly known as the "Redbook." However, at the discretion of the charter school governing board, a charter school may elect to follow generally accepted accounting principles for not-for-profit organizations, but must reformat this information for reporting in accordance with the state-required formats for inclusion in the sponsor's financial statements. The uniform chart of accounts provided for in the Redbook prescribes the account structure for fund level reporting.

The Redbook is incorporated by reference in Florida Department of Education Rule 6A1.001, Florida Administrative Code and provides charter schools with a uniform chart of accounts for budgeting and financial reporting purposes. Topics addressed within the Redbook include governmental accounting standards, program cost accounting and reporting, and school internal funds.

Currently the School maintains its accounting using Quickbooks and then manually reformats the information for reporting with the state-required formats. However, we noted that the manual conversions have caused some inconsistencies in classification of accounts. We recommend that the School automate this conversion to the state-required formats.

**Managements Response:**

We agree with the Auditors' recommendation and will update the Quickbooks chart of accounts using the guidance provided in the Red Book.

**II. CURRENT YEAR FEDERAL AWARDS FINDINGS**

**NONE**

### **III. STATUS OF PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS**

#### **OTHER MATTER**

##### **2009-1 REPORTING- FOOD AND NUTRITION**

During our participant file testing we noted that 9 of the 15 files selected for testing did not have a completed "Free and Reduced Price School Meals Family Application". All of the applications did have the required determining official's signature; however, they did not have a confirming official's signature. Of the 15 forms reviewed, 9 did not have the confirming official's signature. The confirming official's signature is not required but it would strengthen internal controls over the application process. We also noted the three schools were not consistent in the application process; for example one school included the confirming official's signature in all of its application and also a printout from the "Internet Student Information System" (ISIS) of Miami Dade County Public Schools as support for the participant's eligibility. We recommend that the Schools strengthen their internal controls over the completion of the "Free and Reduced Price School Meals Family Application" by requiring all schools to have a confirming official sign the application and also include the printout from the ISIS system.

##### **Current Year Status:**

During 2010, the School implemented the recommendation. This recommendation will not be repeated.

### **IV. STATUS OF PRIOR YEAR FEDERAL AWARD FINDINGS**

N/A