

6/30/10

Combination ①

**OXFORD ACADEMY
OF MIAMI, INC.**

**Component Unit
Financial Statements**

June 30, 2010

OXFORD ACADEMY OF MIAMI, INC.

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June 30, 2010

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KABAT · SCHERTZER
DE LA TORRE · TARABOULOS
&
C O M P A N Y

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

9400 S. DADELAND BLVD, SUITE 601, MIAMI, FLORIDA 33156

TEL: (305) 670-3370 FAX: (305) 670-3390

Report of Independent Certified Public Accountants

To the Board of Directors of the
Oxford Academy of Miami, Inc.
Miami, Florida

We have audited the accompanying statement of net assets of the Oxford Academy of Miami, Inc. (the "Academy") as of June 30, 2010 and the related statement of activities and changes in net assets – budget to actual and cash flows for the period then ended. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oxford Academy of Miami, Inc at June 30, 2010, and the results of its operations and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2010 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting 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 the audit performed in accordance with *Government Auditing Standards* and should not be considered in assessing the results of our audit.

KABAT, SCHERTZER, DE LA TORRE, TARABOULOS & Co.

August 27, 2010
Miami, Florida

PARTNERS:

JORGE N. DE LA TORRE, CPA · LAWRENCE KABAT, CPA · ERIC J. LEVENTHAL, CPA
MICHAEL SCHERTZER, CPA · JEFFREY TARABOULOS, CPA, CFE · ROBERT TARABOULOS, CPA

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**Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

To the Board of Directors of the
Oxford Academy of Miami, Inc.
Miami, Florida

We have audited the basic financial statements of Oxford Academy of Miami, Inc. (the "Academy") as of and for the period ended June 30, 2010, and have issued our report thereon dated August 27, 2010. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Academy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Institution's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

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

KABAT, SCHERTZER, DE LA TORRE, TARABOULOS & Co.

August 27, 2010
Miami, Florida

PARTNERS:

JORGE N. DE LA TORRE, CPA · LAWRENCE KABAT, CPA · ERIC J. LEVENTHAL, CPA
MICHAEL SCHERTZER, CPA · JEFFREY TARABOULOS, CPA, CFE · ROBERT TARABOULOS, CPA

OXFORD ACADEMY OF MIAMI, INC.

Statement of Net Assets

June 30, 2010

Assets	<u>2010</u>
Cash	\$ 1,940
Vendor deposits	<u>2,762</u>
Total Assets	<u><u>4,702</u></u>
 Net Assets	
Unrestricted net assets	<u>4,702</u>
Net Assets	<u><u>\$ 4,702</u></u>

Read accompanying notes to financial statements.

OXFORD ACADEMY OF MIAMI, INC.

Statements of Activities and Changes in Net Assets - Budget to Actual

For the Period Ended June 30, 2010

	<u>Actual</u>	<u>Budget</u>
General Revenues:		
FEFP fees	\$ 880,287	\$ 826,746
Other	<u>110,761</u>	<u>137,382</u>
	<u>991,048</u>	<u>964,128</u>
Governmental Activities:		
Instructional services	645,130	590,783
Instructional support services	13,729	14,500
Board administration	10,252	48,837
School administration	19,204	5,500
Facilities administration	185,766	196,000
Food services	26,886	43,905
Operation of plant	59,928	43,800
Maintenance services	8,641	6,800
Community services	<u>19,320</u>	<u>-</u>
	<u>988,856</u>	<u>950,125</u>
Change in net assets	2,192	14,003
Beginning	\$ <u>2,510</u>	\$ <u>2,510</u>
Ending	\$ <u><u>4,702</u></u>	\$ <u><u>16,513</u></u>

Read accompanying notes to financial statements.

OXFORD ACADEMY OF MIAMI, INC.

Statement of Cash Flows

For the Period Ended June 30, 2010

	<u>2010</u>
Cash flows from operating activities:	
Change in net assets	\$ 2,192
Changes in operating assets and liabilities:	
Decrease in grant receivable	12,560
Increase in vendor deposits	891
Decrease in accounts payable and accrued expenses	<u>(23,652)</u>
Net cash provided by operating activities	(8,009)
Change in cash	(8,009)
Cash at beginning of year	<u>9,949</u>
Cash at end of year	<u><u>\$ 1,940</u></u>

Read accompanying notes to financial statements.

OXFORD ACADEMY OF MIAMI, INC.

Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Assets

June 30, 2010

	<u>2010</u>
Total Fund Balance - Total Governmental Fund	\$ 4,702
No reconciling items	<u>-</u>
Unrestricted net assets	<u>\$ 4,702</u>

Read accompanying notes to financial statements.

OXFORD ACADEMY OF MIAMI, INC.

Management's Discussion and Analysis

June 30, 2010

1. NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Oxford Academy of Miami, Inc. ("Academy") was organized in Miami-Dade County, Florida, in June 2004, to provide rich, diverse and meaningful learning experience for the students of Miami-Dade County from kindergarten to fifth grade.

The legal authority for the Academy is Section 228.056(7) Florida Statutes.

Reporting Entity

The financial reporting entity consists of the following:

- The primary government
- Organizations for which the primary government is financially accountable
- Other organizations that, because of the nature and significance of their relationship with the primary government, may not be excluded from the financial reporting entity

There are no component units; however, the Academy is a component unit of School Board of Miami-Dade County, Florida.

Government-Wide and Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statements of activities. These statements report financial information for the Academy as a whole.

The statement of activities report the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include positions of a fund or summarize more than one fund to capture the expense and program revenues associated with a Board functional activity. Program revenues include: (1) charges for services which report fees and other charges and (2) operating grants and contributions which finance annual operating activities including restricted investment income. These revenues are subject to externally imposed restrictions to these programs uses.

OXFORD ACADEMY OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2010

Fund Financial Statements

Fund financial statements are provided for governmental fund. Major individual governmental funds are reported in separate columns.

Measure Focus, Basis of Accounting and Financial Statement Presentation

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

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Academy considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Major revenues sources susceptible to accrual include: intergovernmental revenues, and interest income.

Major Fund

General Fund – The General Fund is the general operating fund. It is used to account for all current financial resources except those required to be accounted for in another fund of the Academy.

Capital Assets, Depreciation and Amortization

The Academy's property, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements.

OXFORD ACADEMY OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2010

The Academy generally capitalizes assets with cost of \$750 or more as outlay occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extends the useful lives are expensed. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operation. For the year ended June 30, 2010, the Academy did not have any capital assets.

Use of Estimates

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

NOTE B – SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

The Academy has an agreement with the School Board of Miami-Dade County, Florida, to operate a Charter Academy. The Academy receives funding from the School Board of Miami-Dade County, Florida, based on the projected number of full time equivalent (FTE) students. The term of contract is for five years ending June 30, 2010, with an option to review for an additional fifteen years.

NOTE C – CONTINGENCIES

The Academy receives funding through the School Board of Miami-Dade County, Florida that is based in part on a computation of the number of full time equivalent (“FTE”) students enrolled. The accuracy of data compiled supporting the FTE count is subject to audit, and if found to be in error, could result in refunds or in decreased in future funding allocations. It is the opinion of management that the amount of revenue which may be remitted back due to errors in the FTE count, if any, will not be material to the financial position of the Academy. In addition, the continued operation of the Academy is depended upon an agreement with the School Board of Miami-Dade County, Florida.

OXFORD ACADEMY OF MIAMI, INC.

Notes to the Financial Statements

June 30, 2010

NOTE D – RISK MANAGEMENT

The Academy is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Academy carries commercial insurance.

NOTE E – REALTED PARTY TRANSACTION

Operating Lease

The Academy leases it's administrative and classroom space under operating leases, which expires on July 31, 2011, with a renewal option of an additional five years from a company which is owned by the ex-president of the Academy. The rental expense was \$185,766 for the year ended June 30, 2010.

NOTE F – OTHER INFORMATION

Oxford Academy of Miami, Inc. is located at 10870 SW 113th Place, Miami, FL 33176. The Academy's principal is Mrs. Angela Klinedinst, and the Board of Directors is as follows:

Mr. Pedro Bermudez
Ms. Heather Adams
Ms. Liz McGettigan
Mr. Henry Marquez
Mr. Albert Yabor

The following information about the Certified Public Accountant issuing the audit report:

CPA's Name:	Kabat, Schertzer, De La Torre, Taraboulos & Co.
CPA's Address:	9400 South Dadeland Boulevard; Suite 601 Miami, Florida 33156

NOTE G – DEFICIT FUND BALANCE

At June 30, 2010, the general fund did not have a deficit balance.

OXFORD ACADEMY OF MIAMI, INC.

Management's Discussion and Analysis

June 30, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Oxford Academy of Miami, Inc. (the "Academy"), we offer readers of the "Academy" financial statements this narrative overview of the financial activities of the School for the fiscal year ended June 30, 2010 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the Academy's financial activities, (c) identify changes in the Academy's financial position, and (d) identify material deviations from the approved budget. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the basic financial statements found on pages 3 - 10.

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$4,702.
- The significant portion of revenue is provided by the School Board of Miami-Dade County, Florida and is based on the number of enrolled full time equivalent students. In the current fiscal year, the School's enrollment increased therefore, creating an increase in revenue.
- The overall increase in expenses is primarily based on an increase in revenues. Other costs are variable depending on circumstances.
- The budgeted change in net assets, as compared to the actual change in net assets, results in an unfavorable difference of \$11,811.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the component unit financial statements.

This financial report is designed to provide a general overview of the Academy's finances for all those with an interest in the Academy's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Academy's principal, Mrs. Angela Klinedinst, at 10870 Southwest 113th Place, Miami, FL 33176.

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MANAGEMENT LETTER

The Board of Directors
Oxford Academy of Miami, Inc.
Miami, Florida

In planning and performing our audit of the financial statements of Oxford Academy of Miami, Inc. (the "Academy") for the period ended June 30, 2010 we considered the Academy's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

We are pleased to note that we did not note any matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the Academy's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

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

* * *

We appreciate the outstanding cooperation from your staff that our personnel received during the audit of the Academy's financial statements.

Very truly yours,

KABAT, SCHERTZER, DE LA TORRE, TARABOULOS & CO.

Jorge N. De La Torre, Partner
Kabat, Schertzer, De La Torre, Taraboulos & Co

PARTNERS:

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