

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

SPECIAL PURPOSE FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

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

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INDEPENDENT AUDITORS' REPORT



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 South 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, 2011 and 2010 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As 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, 2011 and 2010 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, 2011 and 2010, 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.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated August 29, 2011 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.

Alberni Caballero & Company, LLP

Coral Gables, Florida
August 29, 2011

SPECIAL PURPOSE FINANCIAL STATEMENTS

ASPIRA SOUTH YOUTH LEADERSHIP CHARTER SCHOOL
A Program of ASPIRA of FLORIDA, INC.
(a nonprofit organization)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Current assets:		
Due from the Miami-Dade County School Board		
-State of Florida Capital Outlay Distribution	\$ 9,019	\$ 16,242
-Education Jobs Fund	31,859	-
Due from ASPIRA of Florida, Inc.	<u>762,845</u>	<u>820,259</u>
Total current assets	<u>803,723</u>	<u>836,501</u>
Capital Assets, Net	<u>424,434</u>	<u>360,390</u>
Total assets	<u>\$ 1,228,157</u>	<u>\$ 1,196,891</u>
<u>LIABILITIES</u>		
Long-term liabilities:		
Compensated absences	<u>23,734</u>	<u>18,457</u>
Total long-term liabilities	<u>23,734</u>	<u>18,457</u>
<u>NET ASSETS</u>		
Net Assets:		
Unrestricted	<u>1,204,423</u>	<u>1,178,434</u>
Total net assets	<u>1,204,423</u>	<u>1,178,434</u>
Total liabilities and net assets	<u>\$ 1,228,157</u>	<u>\$ 1,196,891</u>

See Notes to Special Purpose Financial Statements.

ASPIRA SOUTH 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, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>Changes in Unrestricted Net Assets</u>		
Support and revenue		
Local-FTE	\$ 1,804,035	\$ 1,597,417
Federal grants	322,963	243,599
Local grants	84,869	27,819
Other	15,702	21,072
Interest	10,780	11,676
Total revenues	<u>2,238,349</u>	<u>1,901,583</u>
Net assets released from restrictions		
Satisfaction of program restrictions	<u>163,982</u>	<u>156,508</u>
Total net assets released from restrictions	<u>163,982</u>	<u>156,508</u>
	<u>2,402,331</u>	<u>2,058,091</u>
 Expenses:		
Instruction (Teachers)	1,058,680	865,336
Pupil personnel services	66,506	68,310
Instructional media service	63,896	20,853
Instructional staff training services	28,039	27,012
General administration	36,574	90,284
School administration	183,156	215,418
Fiscal services	9,375	7,500
Student transportation services	207,160	214,440
Operation of plant	372,721	221,228
Maintenance of the plant	130,665	114,461
Food services	158,289	147,973
Community services	2,816	6,579
Depreciation	58,465	45,386
Total expenses	<u>2,376,342</u>	<u>2,044,780</u>
Increase in unrestricted net assets	<u>25,989</u>	<u>13,311</u>
 <u>Changes in Temporarily Restricted Net Assets</u>		
Contributions and grants	163,982	156,508
Net assets released from restrictions	<u>(163,982)</u>	<u>(156,508)</u>
(Decrease) in temporarily restricted net assets	<u>-</u>	<u>-</u>
Increase in net assets	<u>25,989</u>	<u>13,311</u>
Net assets, beginning	<u>1,178,434</u>	<u>1,165,123</u>
Net assets, ending	<u>\$ 1,204,423</u>	<u>\$ 1,178,434</u>

See Notes to Special Purpose Financial Statements.

ASPIRA SOUTH YOUTH LEADERSHIP CHARTER SCHOOL
A Program of ASPIRA OF FLORIDA, INC.
(A nonprofit organization)
STATEMENTS OF CASH FLOWS

FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 25,989	\$ 13,311
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	58,465	45,386
(Increase) decrease in:		
Due from School Board of Miami-Dade County		
-State of Florida Capital Outlay Distribution	7,223	4,426
-Education Jobs Fund	(31,859)	-
Increase (decrease) in:		
Due to/from ASPIRA of Florida, Inc., net	57,414	76,327
Compensated absences	<u>5,277</u>	<u>3,865</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>122,509</u>	<u>143,315</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(122,509)</u>	<u>(143,315)</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(122,509)</u>	<u>(143,315)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
 BEGINNING CASH AND CASH EQUIVALENTS	<u>-</u>	<u>-</u>
 ENDING CASH AND CASH EQUIVALENTS	<u>\$ -</u>	<u>\$ -</u>

See Notes to Special Purpose Financial Statements.

ASPIRA SOUTH YOUTH LEADERSHIP CHARTER SCHOOL
A Program of ASPIRA OF FLORIDA, INC.
(a nonprofit organization)
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2011 and 2010

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 February 9, 2000, 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 South 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 May 18, 2000 and is effective until June 30, 2015. 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) of the 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>Schools Name and Addresses</u>	<u>Location No.</u>	<u>Grades</u>	<u>Enrollment</u>	<u>School Principal</u>
ASPIRA South Youth Leadership Charter School 14412 S.W. 288 Street, Leisure City, FL 33033	6060	6 th , 7 th , and 8 th	318	Jason Trinidad/ Hector Martinez

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:

Edward Hernandez, Esq.	Chairperson
Miriam Sierra	Vice-Chair Programs and Planning
Ruth Pacheco	Vice-Chair Fund Raising
Marisol Gomez-Decena, Esq.	Secretary
Tulia Badillo	Treasurer
Victor Vazquez	Board member
Aymet Chaples	Vice President and COO (non-voting member)

School Advisory Council (SAC)

The SAC is composed of the Board Chair and one other Board member, the President and CEO, Vice-President and COO, the School Principal (a non-voting member), and a parent representative.

Chairperson	Edward Hernandez, Esq.
Board member	Miream Sierra
Parent representative	Wendy Rosario
Interim President and CEO	Aymet Chaples (*)
Principal	Jason Trinidad/Hector Martinez (*)

(*) Non Voting Member

Financial Statement Presentation

For financial reporting purposes, ASPIRA South 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 South 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, 2011 and 2010 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 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 2011 and 2010, the School Board received an additional \$163,982 and \$156,508; 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, 2011 and 2010, the School has recorded a receivable from the School Board of \$9,019 and \$16,242; respectively. In 2011 and 2010, the School released \$163,982 and \$177,176; respectively, from restrictions by incurring expenses in accordance with approved Capital Outlay Plans.

III. CAPITAL ASSETS

Capital assets consist of the following:

	June 30,	
	2011	2010
Buildings and building improvements	\$ 252,931	\$ 176,015
Vehicles	17,100	17,100
Furniture and equipment	279,543	248,834
Textbooks	<u>64,165</u>	<u>49,281</u>
	613,739	491,230
Less: Accumulated depreciation	<u>(189,305)</u>	<u>(130,840)</u>
	<u>\$424,434</u>	<u>\$360,390</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 the maximum percentage allowable not to exceed annual limits established in the Internal Revenue Code. 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, 2011 and 2010, there were 9 and 10, employees from the School participating in the Plan. For the fiscal year ended June 30, 2011 and 2010, the School contributed approximately \$6,500 and \$7,600 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. 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.

School Facilities Lease

The School leased its facilities under the terms of an operating lease with monthly payments totaling approximately \$10,241. The lease expired on August 31, 2009 and was renewed on a month to month basis until December 2009 at \$10,241 per month.

Rent expense under this lease totaled approximately \$51,000 for 2010.

VI. RELATED PARTY TRANSACTIONS

School Facilities Lease

In January 2010, 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 \$22,000 per month starting on January 1, 2010 through June 30, 2018.

Rent expense paid to ASPIRA of Florida, Inc. under this lease totaled approximately \$264,000 for 2011 and \$88,000 for 2010 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>	
2012	\$ 264,000
2013	264,000
2014	264,000
2015	264,000
2016	264,000
2017-2018	<u>528,000</u>
	<u>\$2,112,000</u>

VII. 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.

VIII. 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, 2011 and 2010, management fees paid to the School Board amounted to \$74,646 and \$84,075; respectively.

IX. SUBSEQUENT EVENT

Management evaluated subsequent events from July 1, 2011 through August 29, 2011 the date that the financial statements were available to be published. No events were identified during this review of subsequent events that required adjustment to or disclosure within these financial statements.

COMPLIANCE SECTION



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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 South Youth Leadership Charter School (the "School"); a program of ASPIRA of Florida, Inc., as of and for the fiscal year ended June 30, 2011, and have issued our report dated August 29, 2011. 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Standards*.

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 State of Florida 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 29, 2011



Albani, Caballero
& Company, L.L.P.

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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 South Youth Leadership Charter School (the "School"); a program of ASPIRA of Florida, Inc., as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated August 29, 2011.

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 Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters; which is dated August 29, 2011, 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*, 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 reports:

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 not 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) deficiencies in internal control 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 29, 2011

ASPIRA SOUTH YOUTH LEADERSHIP CHARTER SCHOOL
A Program of ASPIRA OF FLORIDA, INC.
(a nonprofit organization)
SCHEDULE OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2011

I. CURRENT YEAR FINANCIAL STATEMENT RECOMMENDATIONS

OTHER MATTER

2011-1 REPORTING- FOOD AND NUTRITION

We selected 15 participants (5 from each of ASPIRA of Florida's three charter schools) for eligibility testing. We noted that 6 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, 6 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 recommend that the Organization strengthen its 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.

Managements' Response:

We will review this recommendation with our confirming officials to ensure it is followed.

II. STATUS OF PRIOR 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.

Current Year Status:

During 2011, the Organization upgraded its accounting software, which greatly improved the reporting capabilities of the Organization. However, the recommendation to incorporate the use of the Redbook was not implemented. **This recommendation will be repeated.**

Managements' Response:

The process of converting to the use of the "Red Book" is a two part phase that includes the upgrade of the current software system which is completed and adding the Red Book Chart of Accounts that will be completed during the 2011-12 year.