

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**MIAMI-DADE COUNTY**  
**FLORIDA CITY AND OVERTOWN**  
**INDEPENDENT AUDITORS' REPORT**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

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**ROSA PARKS CHARTER SCHOOLS, INC.  
A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL  
BOARD OF MIAMI-DADE COUNTY  
FLORIDA CITY & OVERTOWN  
A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL  
BOARD OF MIAMI-DADE COUNTY  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**GENERAL INFORMATION**

**2004 – 2005**

**BOARD OF DIRECTORS**

**Rev. Clinton Terry, Member  
Jack Leonard, Chairman  
Ms. Patricia Mellerson, Secretary  
Ms. Magdalene Altidor, Vice Chair  
Attorney Benton L. Becker, Counsel  
Attorney Lynn Carillo, Member  
Mr. Herbert J. Coleman, Founder**

**2003 – 2004**

**BOARD OF DIRECTORS**

**Rev. Clinton Terry, Chairman  
Jack Leonard, Vice Chairman  
Ms. Patricia Mellerson, Secretary  
Ms. Magdalene Altidor, Director  
Attorney Benton L. Becker, Director  
Attorney Lynn Carillo, Director  
Dr. Ida Whipple, Director  
Mr. Herbert J. Coleman, Founder**

**SCHOOL ADMINISTRATION**

**Mr. George W. Brown, Executive Director of Schools**

## GENERAL INFORMATION

### MANAGEMENT COMPANY

**Work America, Inc.**  
**3050 Biscayne Blvd., Suite 501**  
**Miami, Florida 33137**

**Mr. Herbert J. Coleman, MSE – President & CEO**  
**Ms. Marva De Silva – Executive Vice President & COO**  
**Dr. W. Dean Goldsby – Senior Vice President of Economic Development & Special Projects**

### NAME AND ADDRESSES OF SCHOOL LOCATIONS

**Rosa Parks Charter Schools, Inc., 713 West Palm Drive, Florida City, Fl. 33034**  
**Rosa Parks Charter Schools, Inc., 430 NW 9<sup>th</sup> Street, Miami, Fl. 33136**

### TOTAL SCHOOL ENROLLMENT AND GRADE CONFIGURATION

<b>Rosa Parks Charter Schools, Inc., Florida City</b>		
<b>GRADE</b>	<b>TOTAL</b>	<b>%</b>
<b>K</b>	<b>20</b>	<b>15%</b>
<b>1</b>	<b>21</b>	<b>16%</b>
<b>2</b>	<b>12</b>	<b>9%</b>
<b>3</b>	<b>14</b>	<b>11%</b>
<b>4</b>	<b>12</b>	<b>9%</b>
<b>5</b>	<b>6</b>	<b>5%</b>
<b>6</b>	<b>19</b>	<b>15%</b>
<b>7</b>	<b>17</b>	<b>13%</b>
<b>8</b>	<b>9</b>	<b>7%</b>
<b>TOTAL</b>	<b><u>130</u></b>	<b><u>100%</u></b>

<b>Rosa Parks Charter Schools, Inc., Overtown</b>		
<b>GRADE</b>	<b>TOTAL</b>	<b>%</b>
<b>K</b>	<b>18</b>	<b>26%</b>
<b>1<sup>st</sup></b>	<b>12</b>	<b>18%</b>
<b>2<sup>nd</sup></b>	<b>15</b>	<b>22%</b>
<b>3<sup>rd</sup></b>	<b>16</b>	<b>24%</b>
<b>4<sup>th</sup></b>	<b>4</b>	<b>6%</b>
<b>5<sup>th</sup></b>	<b>3</b>	<b>4%</b>
<b>TOTAL</b>	<b><u>68</u></b>	<b><u>100%</u></b>

**L. BROWN AND COMPANY, P.A.**  
*Certified Public Accountants and Consultants*

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◆ ◆ ◆  
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Deerfield Beach, Florida 33443-1064  
Fax (954) 429-9626

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Rosa Parks Charter Schools, Inc.  
Florida City & Overtown  
Miami, Florida

We have audited the accompanying basic financial statements of Rosa Parks Charter Schools, Inc., Florida City and Overtown (the "School"), a non-major component unit of the District School Board of Miami-Dade, for the years ended June 30, 2005 and 2004. These basic financial statements are the responsibility of the management of Rosa Parks Charter Schools, Inc. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the provisions of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Chapter 10.850, charter Schools Audits, issued by the Auditor General of the State of Florida. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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.

The basic financial statements, referred to in the first paragraph, were prepared for the purpose of complying with Part IV of the Charter School contract between the District School Board of Miami-Dade County and Rosa Parks Charter Schools, Inc. These financial statements were prepared to present the financial position and changes in net assets of Rosa Parks Charter Schools, Inc. and is not intended to be a complete presentation of the financial position and changes in net assets of the District School Board of Miami-Dade County.

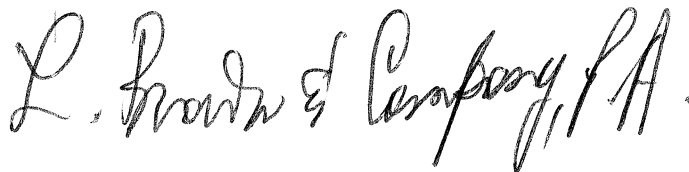
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Rosa Parks Charter Schools, Inc. as of June 30, 2005 and 2004, and the results of its operations for the years then ended in conformity with United States of America generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 30, 2005, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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.

**Board of Directors**  
**August 30, 2005**

The Management's Discussion and Analysis (MD&A) on pages five through nine and the schedules of revenues, expenditures and changes in fund balance – budget to actual are not a required part of the basic financial statements but are supplementary information required by *Government Auditing Standards*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information as listed in the table of contents as required supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "L. Brown & Company, P.A.".

L. Brown and Company, P.A.  
August 30, 2005

**ROSA PARKS CHARTER SCHOOLS, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

The corporate officers of Rosa Parks Charter Schools, Inc. (the School) have prepared this narrative overview and analysis of the financial activities for the years ended June 30, 2005 and 2004.

**FINANCIAL HIGHLIGHTS**

Some highlights for the years ended June 30, 2005 and 2004 were as follows:

**2005 –**

- \* The School received approximately \$1,350,000 in FTE funds from the District School Board of Miami-Dade County in fiscal year ended June 30, 2005.
- \* The School received approximately \$130,000 in capital outlay funds from the District School Board of Miami-Dade County for the fiscal year ended June 30, 2005.
- \* Total assets of the School increased by approximately \$161,000 from fiscal year 2004 to 2005.
- \* At June 30, 2005, assets of the School exceeded its liabilities by approximately \$187,000.

**2004 –**

- \* The School adopted GASB #34 in fiscal year 2004.
- \* The School received approximately \$1,242,000 in FTE funds from the District School Board of Miami-Dade County in fiscal year ended June 30, 2004.
- \* The School received approximately \$81,000 in capital outlay funds from the District School Board of Miami-Dade County for the fiscal year ended June 30, 2004.
- \* Total assets of the School decreased by approximately \$45,000 from fiscal year 2003 to 2004.
- \* At June 30, 2004, liabilities of the School exceeded its assets by approximately \$36,000.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the years ended June 30, 2005 and 2004 are presented under GASB #34 as required. The financial statements have three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**ROSA PARKS CHARTER SCHOOLS, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to the private sector business.

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

The *Statement of Activities* presents information on how the School's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10-12 of this report.

***Fund Financial Statements***

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

All of the funds of the School are governmental funds. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 13 – 19 of this report.

***Notes to Financial Statements***

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 20 – 27 of this report.



**ROSA PARKS CHARTER SCHOOLS, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a charter school's financial position. In the case of the Schools, assets exceeded liabilities by approximately \$187,000 at the close of fiscal year 2005 and liabilities exceeded assets by approximately \$36,000 at the close of fiscal year 2004. A summary of the School's net assets for the fiscal years 2005 and 2004 follows:

	<u>2005</u>	<u>2004</u>
Cash	\$95,648	\$128
Grants receivable	10,948	6,682
Due from related party	132,993	73,956
Furniture, fixtures and equipment, net	12,766	10,602
Other assets – security deposits	<u>5,680</u>	<u>5,680</u>
Total Assets	<u>\$258,035</u>	<u>\$97,048</u>
Accounts payable & accrued liabilities	\$71,263	\$59,094
Due to related party	<u>-</u>	<u>73,956</u>
Total Liabilities	<u>\$71,263</u>	<u>\$133,050</u>
Invested in capital assets, net of related debt	\$12,766	\$ 10,602
Unrestricted net assets	<u>174,006</u>	<u>(46,604)</u>
Total Net Assets	<u>\$186,772</u>	<u>\$(36,002)</u>

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2005 and 2004 follows:

	<u>2005</u>	<u>2004</u>
REVENUES:		
County funding	\$1,349,520	\$1,241,414
Capital outlay funding	130,350	80,184
State of Florida funding	94,994	91,087
Miscellaneous income	<u>6,727</u>	<u>1,556</u>
TOTAL REVENUES	<u>\$1,581,591</u>	<u>\$1,414,241</u>

**ROSA PARKS CHARTER SCHOOLS, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

	<u>2005</u>	<u>2004</u>
EXPENDITURES:		
Instruction	\$542,209	\$567,143
Pupil personnel services	-	-
Instructional staff training	-	-
Board	-	-
General administration	64,780	209,472
School administration	480,063	422,730
Facilities acquisition & construction	-	-
Fiscal services	5,214	6,535
Food services	109,223	111,219
Central services	-	-
Pupil transportation services	43,366	34,553
Operation of plant	27,017	18,296
Maintenance of plant	82,311	20,452
Interest on long-term debt	-	-
Unallocated depreciation	4,634	4,068
TOTAL EXPENDITURES	<u>\$1,358,817</u>	<u>\$1,394,468</u>
CHANGE IN NET ASSETS	222,774	19,773
NET ASSETS AT BEGINNING	<u>(36,002)</u>	<u>(55,775)</u>
NET ASSETS AT END	<u>\$ 186,772</u>	<u>\$ (36,002)</u>

**Lease of Facility**

The School leased facilities, during fiscal year 2004, in the Florida City and Overtown sections of the City of Miami, Florida, from a related organization (Work America, Inc.) utilizing capital outlay funds. The facilities consist of 15,500 square feet in multiple buildings. The buildings have capacity for up to 16 classrooms to house the School's students. The facilities are fully accessible to individuals with disabilities in compliance with the Americans with Disabilities Act, Section 504 of the Rehabilitative Act of 1973, and other applicable state/federal laws.

**School Locations**

The School has facilities at located at 713 West Palm Drive, Florida City, Fl. 33034 and 430 NW 9<sup>th</sup> Street, Miami, Fl. 33136.

**ROSA PARKS CHARTER SCHOOLS, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**Capital Improvement Requirements**

The activities undertaken by the School during 2004-2005 allow it to operate in the immediate future without the need for additional substantial capital improvements for it to service its existing client base.

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

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

**Governmental Funds**

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unreserved fund balance* may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

**Capital Assets**

The School's investments in capital assets as of June 30, 2005 and 2004 amount to approximately \$12,800 and \$10,600 (net of accumulated depreciation), respectively. This investment in capital assets includes furniture, fixtures and computer equipment.

**GENERAL FUND BUDGET ANALYSIS AND HIGHLIGHTS**

Prior to the start of the School's fiscal year, the Board of directors of the School adopted an annual budget. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the School's budget. Budget to actual comparisons are presented on Page 28.

Variances reported in the budget to actual comparison for fiscal years 2005 and 2004 resulted primarily from the following:

**ROSA PARKS CHARTER SCHOOLS, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**2005 –**

- (1) Fiscal year 2005 budget for County Funding was prepared using the 2004 funding formula as the latest School District FTE formulae was not available at the time the 2005 budget was prepared. This resulted in an excess of actual FTE revenue over budget.
- (2) Actual salaries were lower than budgeted due to unfilled vacancies in several positions.
- (3) Several employees opted-out of the health insurance plan resulting in lower benefits expenses than budgeted.
- (4) Actual material and supplies expenses were higher than budgeted because janitorial and maintenance supplies were not included in the budget projections.

**2004 –**

- (1) The School had lower FTEs than was budgeted resulting in lower County funding.
- (2) There was lower number of teachers and other personnel hired because FTEs in fiscal year 2004 were lower than budgeted resulting in lower salaries and taxes.
- (3) The Food Program income and expenses were not budgeted as the eligibility of the students for assistance was not known until the start of the school year resulting in higher State of Florida funding and higher purchased services.
- (4) Purchased services were higher than budgeted because one additional facility, for the middle school, was added in fiscal year 2004.
- (5) Purchased services were higher because management fee was understated in the budget for fiscal year 2004.

**REQUESTS FOR INFORMATION**

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Dr. Jessica Rivera at (305)576-3333.

Rosa Parks Charter Schools, Inc., Overtown, was closed as of June 30, 2005. Rosa Parks Charter Schools, Inc., Florida City, will continue to operate.

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY**  
**FLORIDA CITY AND OVERTOWN**  
**STATEMENT OF NET ASSETS**  
**June 30, 2005 and 2004**  
**(With Comparative Totals)**

	Rosa Parks Florida City	Rosa Parks Overtown	2005 Total	2004 Total
<b>ASSETS</b>				
Cash at bank:				
Florida City	\$ 95,648	\$ -	\$ 95,648	\$ 50
Overtown	-	-	-	78
Due from other agencies:				
Grant receivable				
Florida City	7,072	-	7,072	4,075
Overtown	-	3,876	3,876	2,607
Due from related party	88,773	44,220	132,993	73,956
Furniture and equipment, net	10,681	2,085	12,766	10,602
Other assets:				
Florida City	3,680	-	3,680	3,680
Overtown	-	2,000	2,000	2,000
<b>TOTAL ASSETS</b>	<b>\$ 205,854</b>	<b>\$ 52,181</b>	<b>\$ 258,035</b>	<b>\$ 97,048</b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable & accrued liabilities:

Florida City	\$ 28,552	\$ -	\$ 28,552	\$ 45,296
Overtown	-	42,711	42,711	13,798
Due to related party	-	-	-	73,956
<b>TOTAL LIABILITIES</b>	<b>28,552</b>	<b>42,711</b>	<b>71,263</b>	<b>133,050</b>

**NET ASSETS**

Invested in capital assets, net of related debt	10,681	2,085	12,766	10,602
Unrestricted net assets	166,621	7,385	174,006	(46,604)
<b>TOTAL NET ASSETS</b>	<b>177,302</b>	<b>9,470</b>	<b>186,772</b>	<b>(36,002)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 205,854</b>	<b>\$ 52,181</b>	<b>\$ 258,035</b>	<b>\$ 97,048</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**A NON-MAJOR UNIT OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY**  
**FLORIDA CITY**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2004**  
**(With Comparative Totals)**

FUNCTIONS COMPONENT UNIT ACTIVITIES	EXPENSES	PROGRAM REVENUE			2005 NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	2004 NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL OUTLAY		
Instruction	\$388,473	\$0	\$0	\$0	(\$388,473)	(\$386,662)
Pupil Personnel Services	-	-	-	-	-	0
Instructional Staff Training	-	-	-	-	-	0
Board	-	-	-	-	-	0
General Administration	33,866	-	-	-	(33,866)	(135,972)
School Administration	247,814	-	-	-	(247,814)	(288,372)
Facilities Acquisition & Construction	84,300	-	-	77,275	(7,025)	48,900
Fiscal Services	2,650	-	-	-	(2,650)	(3,270)
Food Services	70,561	-	61,366	-	(9,195)	(12,698)
Central Services	-	-	-	-	-	0
Pupil Transportation Services	43,366	-	-	-	(43,366)	(34,028)
Operation of Plant	14,695	-	-	-	(14,695)	(10,250)
Maintenance of Plant	47,871	-	-	-	(47,871)	(14,491)
Interest on Long-term Debt	0	-	-	-	-	0
Unallocated Depreciation	3,191	-	-	-	(3,191)	(2,625)
Total Component Unit Activities	<u>\$936,787</u>	<u>\$0</u>	<u>\$61,366</u>	<u>\$77,275</u>	<u>(798,146)</u>	<u>(839,468)</u>
GENERAL REVENUES:						
Government grants not restricted to specific programs					928,272	824,918
Fundraising and other revenue					3,637	973
Total General Revenue					<u>931,909</u>	<u>825,891</u>
CHANGE IN NET ASSETS					133,763	(13,577)
NET ASSETS AT BEGINNING					43,539	57,116
NET ASSETS AT END					<u>\$177,302</u>	<u>\$43,539</u>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**A NON-MAJOR UNIT OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY**  
**OVERTOWN**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2004**  
**(With Comparative Totals)**

FUNCTIONS COMPONENT UNIT ACTIVITIES	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL OUTLAY	PROGRAM REVENUE	
					2005 NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	2004 NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
Instruction	\$153,736	\$0	\$0	\$0	(\$153,736)	(\$180,481)
Pupil Personnel Services	-	-	-	-	-	0
Instructional Staff Training	-	-	-	-	-	0
Board	-	-	-	-	-	0
General Administration	30,914	-	-	-	(30,914)	(73,500)
School Administration	84,949	-	-	-	(84,949)	(134,358)
Facilities Acquisition & Construction	63,000	-	-	53,075	(9,925)	31,284
Fiscal Services	2,564	-	-	-	(2,564)	(3,265)
Food Services	38,662	-	33,628	-	(5,034)	(7,434)
Central Services	0	-	-	-	-	0
Pupil Transportation Services	0	-	-	-	0	(525)
Operation of Plant	12,322	-	-	-	(12,322)	(8,046)
Maintenance of Plant	34,440	-	-	-	(34,440)	(5,961)
Interest on Long-term Debt	-	-	-	-	-	0
Unallocated Depreciation	1,443	-	-	-	(1,443)	(1,443)
Total Component Unit Activities	<u>\$422,030</u>	<u>\$0</u>	<u>\$33,628</u>	<u>\$53,075</u>	<u>(335,327)</u>	<u>(383,729)</u>
GENERAL REVENUES:						
Government grants not restricted to specific programs					421,248	416,496
Fundraising and other revenue					3,090	583
Total General Revenue					<u>424,338</u>	<u>417,079</u>
CHANGE IN NET ASSETS					89,011	33,350
NET ASSETS AT BEGINNING					(79,541)	(112,891)
NET ASSETS AT END					<u>\$9,470</u>	<u>(\$79,541)</u>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY**  
**FLORIDA CITY AND OVERTOWN**  
**BALANCE SHEET**  
**June 30, 2005 and 2004**  
**(With Comparative Totals)**

		<b>Rosa Parks Florida City</b>	<b>Rosa Parks Overtown</b>	<b>2005 Total</b>	<b>2004 Total</b>
<b>ASSETS</b>					
Cash at bank:					
Florida City	\$	95,648	\$ -	\$ 95,648	\$ 50
Overtown		-	-	0	78
Due from other agencies:					
Florida City		7,072	-	7,072	4,075
Overtown		-	3,876	3,876	2,607
Due from related party		88,773	44,220	132,993	73,956
Other assets:					
Florida City		3,680	-	3,680	3,680
Overtown		-	2,000	2,000	2,000
<b>TOTAL ASSETS</b>	\$	<u>195,173</u>	\$ <u>50,096</u>	\$ <u>245,269</u>	\$ <u>86,446</u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable & accrued liabilities:

Florida City	\$	28,552	\$ -	\$ 28,552	\$ 45,296
Overtown		-	42,711	42,711	13,798
Due to related party		-	-	0	73,956
<b>TOTAL LIABILITIES</b>		<u>28,552</u>	<u>42,711</u>	<u>71,263</u>	<u>133,050</u>

**FUND BALANCE**

Reserved		41,875	21,359	63,234	80,184
Unreserved		124,746	(13,974)	110,772	(126,788)
<b>TOTAL FUND BALANCE</b>		<u>166,621</u>	<u>7,385</u>	<u>174,006</u>	<u>(46,604)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	\$	<u>195,173</u>	\$ <u>50,096</u>	\$ <u>245,269</u>	\$ <u>86,446</u>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**



**ROSA PARKS CHARTER SCHOOLS, INC.**  
**NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY**  
**FLORIDA CITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT**  
**OF NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(With Comparative Totals)**

	2005	2004
<b>Total Fund Balance - Governmental Fund</b>	\$166,621	\$36,465
<b>Amounts reported for governmental activities in the Statement of Net Assets are different because:</b>		
Capital assets of \$19,921, net of accumulated depreciation of \$9,240 used in governmental activities are not financial resources and therefore are not reported in the fund.	10,681	7,074
<b>Total Net Assets - Government Activities</b>	<u><u>\$177,302</u></u>	<u><u>\$43,539</u></u>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY**  
**OVERTOWN**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT**  
**OF NET ASSETS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(With Comparative Totals)**

<b>Total Fund Balance - Governmental Fund</b>	\$7,385	(\$83,069)
<b>Amounts reported for governmental activities in the Statement of Net Assets are different because:</b>		
Capital assets of \$7,213, net of accumulated depreciation of \$3,685 used in governmental activities are not financial resources and therefore are not reported in the fund.	2,085	3,528
<b>Total Net Assets - Government Activities</b>	<u>\$9,470</u>	<u>(\$79,541)</u>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**A NON-MAJOR UNIT OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY**  
**FLORIDA CITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(With Comparative Totals)**

	GENERAL	OTHER GOVERNMENTAL FUNDS	2005 TOTAL	2004 TOTAL
<b>REVENUES:</b>				
County Funding	\$928,272	\$0	\$928,272	\$824,918
Capital Outlay Funding	-	77,275	77,275	48,900
State of Florida Funding	61,366	-	61,366	54,535
Miscellaneous income	3,637	-	3,637	973
<b>Total Revenues</b>	<u>993,275</u>	<u>77,275</u>	<u>1,070,550</u>	<u>929,326</u>
<b>EXPENDITURES:</b>				
Instruction	\$395,271	-	395,271	396,361
Pupil Personnel Services	-	-	-	0
Instructional Staff Training	-	-	-	0
Board	-	-	-	0
General Administration	33,866	-	33,866	135,972
School Administration	247,814	-	247,814	204,072
Facilities Acquisition & Construction	-	84,300	84,300	84,300
Fiscal Services	2,650	-	2,650	3,270
Food Services	70,561	-	70,561	67,233
Central Services	-	-	-	0
Pupil Transportation Services	43,366	-	43,366	34,028
Operation of Plant	14,695	-	14,695	10,250
Maintenance of Plant	47,871	-	47,871	14,491
<b>Total Component Unit Activities</b>	<u>856,094</u>	<u>84,300</u>	<u>940,394</u>	<u>949,977</u>
Excess (Deficiency) of Revenues Over Expenditures	137,181	(7,025)	130,156	(20,651)
Fund Balance at Beginning of Year	(12,435)	48,900	36,465	57,116
<b>Fund Balance at End of Year</b>	<u>\$124,746</u>	<u>\$41,875</u>	<u>\$166,621</u>	<u>\$36,465</u>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**A NON-MAJOR UNIT OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY**  
**OVERTOWN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(With Comparative Totals)**

	GENERAL	OTHER GOVERNMENTAL FUNDS	2005 TOTAL	2004 TOTAL
<b>REVENUES:</b>				
County Funding	\$421,248	\$0	\$421,248	\$416,496
Capital Outlay Funding	-	53,075	53,075	31,284
State of Florida Funding	33,628	-	33,628	36,552
Miscellaneous income	3,090	-	3,090	583
<b>Total Revenues</b>	<b>457,966</b>	<b>53,075</b>	<b>511,041</b>	<b>484,915</b>
<b>EXPENDITURES:</b>				
Instruction	\$153,736	-	153,736	185,452
Pupil Personnel Services	-	-	-	0
Instructional Staff Training	-	-	-	0
Board	-	-	-	0
General Administration	30,914	-	30,914	73,500
School Administration	84,949	-	84,949	71,358
Facilities Acquisition & Construction	-	63,000	63,000	63,000
Fiscal Services	2,564	-	2,564	3,265
Food Services	38,662	-	38,662	43,986
Central Services	-	-	-	0
Pupil Transportation Services	-	-	0	525
Operation of Plant	12,322	-	12,322	8,046
Maintenance of Plant	34,440	-	34,440	5,961
<b>Total Component Unit Activities</b>	<b>357,587</b>	<b>63,000</b>	<b>420,587</b>	<b>455,093</b>
Excess (Deficiency) of Revenues Over Expenditures	100,379	(9,925)	90,454	29,822
Fund Balance at Beginning of Years	(114,353)	31,284	(83,069)	(112,891)
Fund Balance at End of Years	<b>(\$13,974)</b>	<b>\$21,359</b>	<b>\$7,385</b>	<b>(\$83,069)</b>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY**  
**FLORIDA CITY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(With Comparative Totals)**

	2005	2004
<b>Change in Fund Balance - Governmental Fund</b>	\$130,156	-\$20,651
<b>Amounts reported for governmental activities in the Statement of Activities are different because:</b>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital assets, net of depreciation	3,607	7,074
<b>Change in Net Assets of Governmental Activities</b>	<u>\$133,763</u>	<u>(\$13,577)</u>

**THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY**  
**OVERTOWN**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**  
**(With Comparative Totals)**

	2005	2004
<b>Total Fund Balance - Governmental Fund</b>	\$90,454	\$29,822
<b>Amounts reported for governmental activities in the Statement of Net Assets are different because:</b>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital assets, net of depreciation	(1,443)	3,528
<b>Change in Net Assets of Governmental Activities</b>	<u>\$89,011</u>	<u>\$33,350</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**FLORIDA CITY & OVERTOWN**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**MIAMI-DADE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT  
ACCOUNTING POLICIES**

Organization

Rosa Parks Charter Schools, Inc. (the "School"), incorporated in the State of Florida, pursuant to Section 228.056 of the Florida Statutes, on July 17, 2003. The School was established as a charter school for children from kindergarten through eight grade. The School operates under a charter of the District School Board of Miami-Dade County, Florida and is considered a non-major component unit of such board. The School is funded by Miami-Dade School system and, in addition, receives government grants. The school is operated at two locations in Miami-Dade County; Florida City and Overtown. The governing board of the Charter School is an eight member Board of Directors. Prior to July 2003, the School operated as a d/b/a of Work America, Inc., a nonprofit organization.

The general operating authority of the School is contained in Section 228.056, Florida Statutes. The contract was entered into on June 24, 1999, and was effective until June 30, 2002. The contract was renewed for five years by mutual agreement of the parties. At the end of the term of the contract, the Sponsor may choose not to renew the contract under grounds specified in the contract in which case the Sponsor is required to notify the Charter School, in writing at least 90 days prior to the Charter School's contract expiration. During the term of the contract, the Sponsor may also termination the contract, any property and improvements, furnishings, and equipment purchased with public funds and any unencumbered public funds shall revert back to the Sponsor.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Government-wide and Fund Financial Statements**

In fiscal year 2004, the School adopted GASB #34. Government-wide financial statements are prepared for the School and include the statement of net assets and statement of activities and changes in net assets. These statements report information for the School as a whole.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct function activity. Program revenues include: (1) charges for services which report fees; (2) operating grants and contributions which finance

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**FLORIDA CITY & OVERTOWN**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**MIAMI-DADE COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds.

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

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

The government-wide statements report uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Statement No. 33 Accounting and Financial Reporting for Non-Exchange Transactions, as amended by GASB Statement No. 36 Recipient Reporting for Certain Shared Non-Exchange Revenues, they include grants and donations. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Government fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.



**ROSA PARKS CHARTER SCHOOLS, INC.**  
**FLORIDA CITY & OVERTOWN**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**MIAMI-DADE COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Budgetary Basis Accounting**

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

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less. The School's cash consists of demand deposits with financial institutions which are insured by Federal depository insurance.

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Other Assets

Other assets consist mainly of security deposits for utilities.

Capital Assets, Depreciation and Amortization

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net assets in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The School generally capitalizes assets with cost of \$500 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture, Fixtures and Equipment	5 Years
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Long-term Debt

In the government-wide financial statements, outstanding debt is reported as liabilities. The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Financing costs are reported as expenditures.

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**FLORIDA CITY & OVERTOWN**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**MIAMI-DADE COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue

Revenues for operations will be received primarily from the Miami-Dade County District School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 228.056 (13), Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 236.081, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (DOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the school received an annual allocation of Public Education Capital Outlay funds for capital and other projects.

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

New Reporting Standard

In June 1999, the Governmental Accounting Standards Boards (GASB) issued Statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it requires new information and restructure much of the information that governments have presented in the past. The School implemented this standard in the fiscal year ended June 30, 2004.

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 report amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**ROSA PARKS CHARTER SCHOOLS, INC.  
FLORIDA CITY & OVERTOWN  
A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF  
MIAMI-DADE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**INCOME TAXES**

Rosa Parks Charter Schools, Inc. has filed Form 1023 – Application for Recognition of Exemption Under Section 501(c)(3) of the Internal revenue Code. Management expects the application to be approved.

**NOTE 2 – DUE FROM AGENCIES AND SCHOOLS**

Due from other agencies is comprised of amounts due from the Miami-Dade School Board and other as follows:

	<u>2005</u>	<u>2004</u>
Florida City	\$ 7,072	\$ 4,075
Overtown	<u>3,876</u>	<u>2,607</u>
	<u>\$10,948</u>	<u>\$ 6,682</u>

**NOTE 3 – CHANGES IN CAPITAL ASSETS**

The following schedule provides a summary of changes in capital assets, for the year ended June 30, 2005, for Rosa Parks Charter Schools, Inc. Florida City and Overtown:

**Florida City -**

	Balance 07/01/2004	Additions	Retirements	Balance 06/30/2005
Capital Assets				
Furniture, Fixtures, & Equipment	\$13,123	\$ 6,798	\$ -0-	\$19,921
Less Accumulated Depreciation	<u>6,049</u>	<u>3,191</u>	<u>-0-</u>	<u>9,240</u>
Capital Assets, Net	<u>\$ 9,699</u>	<u>\$ 3,607</u>	<u>\$ -0-</u>	<u>\$ 10,681</u>

**Overtown -**

	Balance 07/01/2004	Additions	Retirements	Balance 06/30/2005
Capital Assets				
Furniture, Fixtures, & Equipment	\$ 7,214	\$ -0-	\$ -0-	\$ 7,214
Less Accumulated Depreciation	<u>3,686</u>	<u>1,443</u>	<u>-0-</u>	<u>5,129</u>
Capital Assets, Net	<u>\$ 4,971</u>	<u>\$ 1,443</u>	<u>\$ -0-</u>	<u>\$ 2,085</u>

**ROSA PARKS CHARTER SCHOOLS, INC.  
FLORIDA CITY & OVERTOWN  
A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF  
MIAMI-DADE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**NOTE 3 – CHANGES IN CAPITAL ASSETS (Continued)**

Depreciation expense for Rosa Parks Charter Schools, Inc., Florida City and Overtown, for the years ended June 30, 2005 and 2004 was \$3,191 and \$1,443, respectively.

**NOTE 4 – RELATED PARTIES TRANSACTIONS**

**School Board of Miami- Dade County (the Sponsor)**

Pursuant to the School's contract with the Sponsor, the Sponsor is paid a management fee of 5% of the qualifying revenues of the School. During the years ended June 30, 2005 and 2004, Rosa Parkes Charter Schools, Inc. Florida City and Overtown paid approximately \$53,000 and \$59,000, respectively, to the Sponsor for management fees.

**School Board of Miami- Dade County (the Sponsor)**

Pursuant to the School's contract with the Sponsor, the School receives from the Sponsor an FTE fee for each full time student enrolled. The fee is based upon various teaching requirements of each student enrolled. The number of FTE (full time equivalent students) enrolled for the fiscal years ended June 30, 2005 and 2004 for Rosa Parks Charter Schools, Inc., Florida City was 130 and 125 and for Overtown was 68 and 71.

The School also receives other allowances based upon the students enrolled, including a transportation allowance for students living more than two miles and less than four miles from the school property.

**Work America Inc. (the Operator)**

The Operator rented facilities to the School in fiscal years 2005 and 2004.

In addition, the Operator provided support services in personnel, facilities and supplies and charges a management fee of 10% of total revenue of the School. Expenses of the School are paid on behalf of the School by Work America, Inc.

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**FLORIDA CITY & OVERTOWN**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**MIAMI-DADE COUNTY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**NOTE 5 - OPERATING LEASE OBLIGATIONS**

The School leases modular units, commencing June 26, 2000 and terminating June 26, 2005. The annual lease amounts for the units were approximately \$48,900 for the Florida City location and \$31,284 for the Overtown location.

On August 25, 2003, the School entered into operating leases for space with Work America, Inc. The annual lease payments were \$84,300 and \$63,000 for the Florida City and Overtown locations, respectively. The leases for space have a term of 24 months.

Minimum payments under operating leases at June 30, 2005 and 2004 are as follows:

<u>Years ended</u>	<u>2005</u>	<u>2004</u>
2005	\$ -	\$187,324
2006	\$ 153,920	78,020

Rent expense charged to operations and paid out of the capital outlay funds from the School Board amounted to \$84,300 and \$48,900 for the Florida City location and \$63,000 and \$31,284 for the Overtown location, respectively, for the years ended June 30, 2005 and 2004.

**NOTE 6 – COMMITMENTS**

The costs and unexpended funds reflected in the accompanying financial statements relating to government funding are subject to audit by the respective grantors. The possible disallowance by the funding source of any item charged to the program or request for return of any unexpended funds cannot be determined at this time. No provision for any liability is necessary at year-end, June 30, 2005 and 2004, and none has been made in the special purpose financial statements.

**NOTE 7 – CONCENTRATION OF CREDIT RISK**

Rosa Parks Charter Schools, Inc. maintains cash accounts, for the Florida City and Overtown locations, at a federally insured financial institution in Miami, Florida. The balances, at times, may exceed federally insured limits. At June 30, 2005 and 2004, the School had no cash on deposit exceeding the insured limit.

**ROSA PARKS CHARTER SCHOOLS, INC.  
FLORIDA CITY & OVERTOWN  
A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF  
MIAMI-DADE COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

**NOTE 8 - COMPENSATED ABSENCES**

Employees of the School are entitled to paid vacation and sick days depending on length of service. The School's policy is to recognize the cost of vacation days when earned by the employees. The current policy of the School is the vacation days not used during the calendar year are forfeited. The value of unused vacation days was determined to be immaterial and therefore no accrual has been made.

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY**  
**FLORIDA CITY AND OVERTOWN**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

	GOVERNMENTAL FUND			
	Budget	Actual	Variances	
			2005	2004
<b>REVENUES:</b>				
County Funding	\$1,184,026	\$1,349,520	\$165,494	(125,172)
Capital Outlay Funding	\$130,350	\$130,350	0	0
State of Florida Funding	95,000	94,994	(6)	91,087
Miscellaneous income	0	6,727	6,727	1,556
Total Revenue	1,409,376	1,581,591	172,215	(32,529)
<b>EXPENDITURES:</b>				
Salaries & taxes	605,467	532,744	(72,723)	(220,853)
Employee benefits	21,900	9,466	(12,434)	(39,031)
Purchased services	431,625	430,703	(922)	196,489
Lease of facilities	223,200	223,200	0	0
Materials and supplies	47,000	67,734	20,734	21,695
Other capital outlay	80,184	80,184	0	80,184
Total Expenditures	1,409,376	1,344,031	(65,345)	38,484
Excess (Deficiencies) of Expenditures and Financing Sources Over Revenues	0	237,560	237,560	(71,013)
Fund Balance at Beginning of Year	(126,788)	0	(126,788)	(55,775)
Fund Balance at End of Year	(\$126,788)	\$237,560	\$110,772	(\$126,788)

# **L. BROWN AND COMPANY, P.A.**

*Certified Public Accountants and Consultants*

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Telephone (954) 812-5515      Member American and Florida Institutes of Certified Public Accountants      Fax (954) 429-9626

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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT**

To the Board of Directors of  
Rosa Parks Charter Schools, Inc.  
Florida City and Overtown  
Miami, Florida

We have audited the compliance of Rosa Parks Charter Schools, Inc. (a Florida nonprofit organizations) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, and the requirements described in the Executive Office of the Governor's State Projects Compliance Supplement, that are applicable to each of its major federal programs and state projects for the years ended June 30, 2005 and 2004. Rosa Parks Charter Schools, Inc.'s major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs and state projects is the responsibility of the organizations' management. Our responsibility is to express an opinion on Rosa Parks Charter Schools, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with United States generally accepted auditing standards; 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" and Chapter 10.650, Rules of the Auditor General. Those standards, OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General, 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 or state project occurred. An audit includes examining, on a test basis, evidence about Rosa Parks Charter Schools, Inc.'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 Rosa Parks Charter Schools, Inc.'s compliance with those requirements.

In our opinion, Rosa Parks Charter Schools, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and state projects for the years ended June 30, 2005 and 2004.

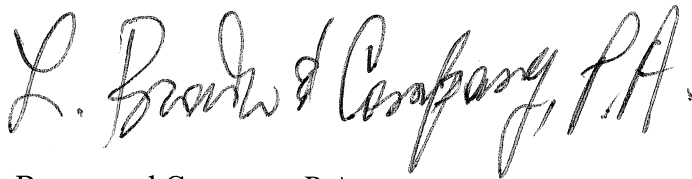


## **Internal Control Over Compliance**

The management of Rosa Parks Charter Schools, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs and state projects. In planning and performing our audit, we considered Rosa Parks Charter Schools, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program or state project to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133 and Chapter 10.650, Rules of the Auditor General.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program 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 the internal control over compliance 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 District School Board of Miami-Dade County, all applicable state agencies and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "L. Brown and Company, P.A.".

L. Brown and Company, P.A.  
August 30, 2005

**ROSA PARKS CHARTER SCHOOLS, INC.**  
**A NON-MAJOR COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF**  
**MIAMI-DADE COUNTY**  
**FLORIDA CITY AND OVERTOWN**  
**MANAGEMENT LETTER**  
**FOR THE YEAR ENDED JUNE 30, 2005**

# **L. BROWN AND COMPANY, P.A.**

*Certified Public Accountants and Consultants*

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P.O. Box 1064      ♦ ♦ ♦      Deerfield Beach, Florida 33443-1064  
Telephone (954) 812-5515      Member American and Florida Institutes of Certified Public Accountants      Fax (954) 429-9626

To the Board of Directors of  
Rosa Parks Charter Schools, Inc.  
Florida City and Overtown  
Miami, Florida

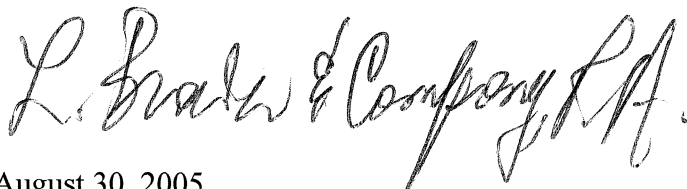
We have audited the special purpose financial statements of Rosa Parks Charter Schools, Inc., Florida City and Overtown (the "School") as of June 30, 2005 and for the year then ended and have issued our report thereon dated August 30, 2005.

We conducted our audit of compliance in accordance with United States generally accepted auditing standards; 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 Compliance and Internal Control over Compliance Applicable to each Major Federal Program and State Project, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 30, 2005, should be considered in conjunction with this management letter. Additionally, our audit was conducted in accordance with Chapter 10.650, Rules of the Auditor General.

The Rules of Auditor General (Section 10.654 (1)(d) require disclosure in the management letter of the following matters if not already addressed in the auditors' reports on compliance and internal controls or schedule of findings and questioned costs: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g. the omission of required disclosures from the special purpose financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor.

This management letter is intended solely for the information of Rosa Parks Charter Schools, Inc., Florida City and Overtown, the District School Board of Miami-Dade County, management, and the State of Florida Office of the Auditor General and is not intended to be or should not be used by anyone other than these specified parties.

Sincerely,  
L. Brown and Company, P.A.



August 30, 2005

**ROSA PARKS CHARTER SCHOOL  
FLORIDA CITY & OVERTOWN  
MANAGEMENT LETTER  
For the Year Ended June 30, 2005**

**A. Current Year's Findings**

**1. Missing Documentation from Payment Packages.**

During our audit, it was noted that one of the twenty five payments and one of the twenty five deposits processed to the general ledger, during the fiscal year, did not have supporting documentation, such as an invoice or receipt, on file. In addition, invoice packages were not cancelled or perforated subsequent to payment.

This situation can make it possible for unauthorized or duplicate payments to occur. Unsupported deposits may be recorded to the general ledger.

**Recommendation:** Prior to all payments to vendors, invoice packages should include supporting documentation and deposits should be supported by receipts or correspondence. Invoice packages should also be cancelled or perforated subsequent to payment.

**Management Response:** The payment identified during the audit was made prior to the receipt of an invoice and on the approval of the President. The receipt related to an Internal Revenue Service refund check which did not have a supporting document. In the future, all payments and deposits will be documented with invoices, receipts, or a memorandum approved by senior management.

**B. Update of Prior Year's Findings**

**1. Missing Documentation in Personnel Files**

During the audit, we noted that, of the ten personnel files examined, certain documents were missing for two substitute teachers. Documentation of pay rates and start and end dates were not included in the files. This condition could result in larger or smaller amounts being paid than authorized.

**Recommendation:** Management should ensure that all required documents be included in the personnel files by utilizing a checklist of documents.

**This finding does not apply to fiscal year 2005.**

**ROSA PARKS CHARTER SCHOOL  
FLORIDA CITY & OVERTOWN  
MANAGEMENT LETTER  
For the Year Ended June 30, 2005**

**2. Recording of Transactions.**

During the audit, it was noted that some inter-company transactions were recorded in the general ledger of a related organization but not reflected in Rosa Parks Charter Schools, Inc. accounting records. This occurred because the School was separated from the related organization during the fiscal year and expenses continued to be processed for the School through the related organization. Due to and from related party transactions were not recorded in both companies (the School and the related organization) as they occurred and no reconciliations of due to and from accounts were prepared.

This situation could result in unrecorded transactions in the School's accounting system.

Management should ensure that all inter-company transactions are recorded in the School's accounting system as they occur. In addition, monthly reconciliation of the due to and from accounts in the general ledger should be done.

**Management Response:**

**This finding does not apply to fiscal year 2005.**

**2. The Audited Special Purpose Financial Statements and Reports were Issued Late.**

The audited basic financial statements for the year ended June 30, 2004 were issued after September 20, 2004. This is after the required issue date documented in the organization's grant contract. Rosa Parks Charter Schools, Inc. is not in compliance with the grant contracts.

**Recommendation:** Management should ensure that the audit of the special purpose financial statements commences on a timely basis and that the audited special purpose financial statements and reports are issued before the deadlines outlined in the grant contracts.

**Management Response:**

**This finding does apply to fiscal year 2005.**

**ROSA PARKS CHARTER SCHOOL  
FLORIDA CITY & OVERTOWN  
MANAGEMENT LETTER  
For the Year Ended June 30, 2005**

**3. Lack of Fixed Assets Listing.**

As required by generally accepted control principles and grant contracts, the organization should maintain a detailed listing of all its fixed assets; however, Rosa Parks Charter Schools, Inc. did not have a complete listing of such assets. This listing would assist the organization in safeguarding its assets.

**Recommendation:** Management should ensure that a complete listing of all fixed assets be prepared and maintained.

**This finding does not apply to fiscal year 2005.**

**AUDIT COMPLETION CHECKLIST  
FOR CHARTER SCHOOLS AND OTHER ORGANIZATIONS  
MIAMI-DADE COUNTY PUBLIC SCHOOLS**

The following information should be included in the yearly audit by the organizations submitting their annual external audit. For charter schools, the Auditor General of the State of Florida has issued rules that must be complied with (Chapter 10.850). **Please share this checklist with your external auditor.**

- ☒ 1. The name and address of the school.
- ☒ 2. The name of the principal running the school.
- ☒ 3. Current list of the Board of Directors of the school.
- ☒ 4. If the school is operated by a management company:
  - ☒ a. Name of the company
  - ☒ b. Address
  - ☒ c. List of principal officials
  - ☒ d. Contractual arrangement with the company, such as length of contract, terms, total fees paid for the year, etc. (This information should be included in the footnotes to the financial statements).
- ☒ 5. The financial statements must include comparative totals for the prior year.
- ☒ 6. The financial statements must comply with GASB 34 requirements, if applicable.
- ☒ 7. In the footnotes of the financial statements, the following should be disclosed:
  - ☒ a. Total school enrollment and grade configuration. If separate facilities are in operation, disclose name, address, and the enrollment and grade configuration at each facility.
  - ☒ b. Full disclosure of related party transactions, which should include the related party's name and address, and disclosure of the transaction, particularly if it is a loan that needs to be repaid (principal and interest paid and unpaid). If the debt is in arrears, disclosure of arrangements made to satisfy the debt.
  - ☒ c. Full disclosure of any other debts in arrears, particularly as they relate to the payment of withholding/social security taxes. Arrangements made to pay the debt(s).
  - ☒ d. For charter schools, full disclosure in the notes or as a separate schedule in the audit of the tangible personal property purchased with public funds. (It is a current contractual requirement for charter schools; however, we recommend that it be part of the audit).
  - ☒ e. If there is a deficit cash position or significant losses shown in the financial statements, full disclosure as to how the school plans to keep operating. The current assets should be sufficient to cover the current liabilities. The issue is whether sufficient resources would be available to maintain the school open. This issue may be addressed in the Management Letter.
  - ☐ N/A f. Any disclosures of events subsequent to the balance sheet date that the auditor believes are important to the readers of the financial statements (e.g., significant contractual arrangements and financing or refinancing of debt, payment of past due taxes, etc.).
- ☒ 8. If the audit is not submitted within the contractually required deadline, the Management Letter must comment on it with the appropriate response from the organization as to how it is going to be remedied in future audit submittals.
- ☒ 9. If there are Management Letter findings, each finding must include a response by the organization. If there were prior audit findings, the current audit must include the status of action taken, i.e., whether the recommendation was fully implemented and, if not, when (date) it will be fully implemented. Note that quarterly reports may be required on a case-by-case basis depending on the severity or lack of resolution of the issues noted in the Management Letter.
- ☒ 10. Please enter the following information about the Certified Public Accountant issuing the audit report:
  - CPA's Name: L. Brown and Company, P.A.
  - CPA's Address: 2700 W. Atlantic Blvd., Suite 215, Pompano Beach, FL 33069
  - License No.: AC 1137418/AD0018366 Status: Active
  - Expiration Date: December 31, 2005

In reference to this checklist, please refer any questions to the Office of Management and Compliance Audits, attention Mr. Norberto Ferradaz, CPA (305) 995-1318.

**Please forward a copy of the completed checklist with your audit.**