

EARLY BEGINNINGS ACADEMY CIVIC CENTER,
EARLY BEGINNINGS ACADEMY NORTH SHORE
AND TRANSITIONAL LEARNING ACADEMY
CHARTER SCHOOLS

SPECIAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2006

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EARLY BEGINNINGS ACADEMY CIVIC CENTER, EARLY BEGINNINGS ACADEMY NORTH
SHORE AND TRANSITIONAL LEARNING ACADEMY CHARTER SCHOOLS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Officers of
United Cerebral Palsy of South Florida Charter Schools, Inc.
Miami, Florida

I have audited the accompanying special purpose financial statements of Early Beginnings Academy Civic Center, Early Beginnings Academy North Shore and Transitional Learning Academy Charter Schools (the "Schools") as of and for the year ended June 30, 2006 as listed in the table of contents. These special purpose financial statements are the responsibility of the Schools' management. My responsibility is to express an opinion on these special purpose financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special purpose 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. I believe that my audit provides a reasonable basis for my opinion.

As explained in Note 1 to the special purpose financial statements, the financial statements being presented are only for the three schools referred to above, which are programs of United Cerebral Palsy of South Florida Charter Schools, Inc. The special purpose financial statements do not include the statements of financial position, activities and cash flows of Early Beginnings Academy West and United Cerebral Palsy of South Florida Charter Schools, Inc. (a not-for-profit organization). Accordingly, the accompanying special purpose financial statements are not intended to present the financial position of United Cerebral Palsy of South Florida Charter Schools, Inc. as of June 30, 2006 or its results of operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

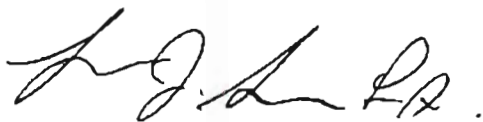
In my opinion, the special purpose financial statements referred to above present fairly, in all material respects, the financial position of the Schools as of June 30, 2006, and the results of their operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated November 7, 2006 on my consideration of the Schools' internal control over financial reporting and my 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 my 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

To the Board of Directors and Officers of
United Cerebral Palsy of South Florida Charter Schools, Inc.
Miami, Florida

with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

My audits were performed for the purpose of forming an opinion on the special purpose financial statements taken as a whole. The accompanying combining special purpose financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the special purpose financial statements. Such information has been subjected to the auditing procedures applied in the audits of the special purpose financial statements and in my opinion, is fairly stated in all material respects in relation to the special purpose financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "J. A. RA".

Miami, Florida
November 7, 2006

EARLY BEGINNINGS ACADEMY CIVIC CENTER, EARLY BEGINNINGS ACADEMY NORTH
SHORE AND TRANSITIONAL LEARNING ACADEMY CHARTER SCHOOLS
COMBINED STATEMENT OF FINANCIAL POSITION
June 30, 2006

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	156,891
Due from United Cerebral Palsy of South Florida Charter Schools, Inc.		21,507
		178,398

TOTAL CURRENT ASSETS

PROPERTY AND EQUIPMENT, net

108,383

TOTAL ASSETS

\$ 286,781

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	130,119
Grant funds refundable		99,505
		229,624

TOTAL CURRENT LIABILITIES

229,624

TOTAL LIABILITIES

229,624

NET ASSETS

Unrestricted net assets:
Undesignated

18,157

18,157

Temporarily restricted net assets:

Restricted for supplies and equipment

39,000

TOTAL NET ASSETS

57,157

TOTAL LIABILITIES AND NET ASSETS

\$ 286,781

EARLY BEGINNINGS ACADEMY CIVIC CENTER, EARLY BEGINNINGS ACADEMY NORTH
SHORE AND TRANSITIONAL LEARNING ACADEMY CHARTER SCHOOLS
COMBINED STATEMENT OF ACTIVITIES
Year Ended June 30, 2006

CHANGES IN UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

Local	\$ 1,154,553
Federal grants	529,399
Other	9,657
Contributions	331,000
TOTAL REVENUES	2,024,609

EXPENSES

Exceptional student instruction	695,571
Other instruction	920
Pupil personnel services	160,973
Instructional media services	68,610
Instructional and curriculum development services	120,870
Instructional staff training services	8,625
School administration	324,812
Fiscal services	45,573
Food services	28,677
Central services	192,343
Pupil transportation services	184,021
Operation of plant	138,824
Maintenance of the plant	8,182
Depreciation	28,451
TOTAL EXPENSES	2,006,454

INCREASE IN UNRESTRICTED NET ASSETS 18,155

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS

Contributions restricted for supplies and equipment	39,000
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INCREASE IN TEMPORARILY RESTRICTED NET ASSETS 39,000

TOTAL INCREASE IN NET ASSETS 57,155

NET ASSETS AT BEGINNING OF YEAR

-

NET ASSETS AT END OF YEAR

\$ 57,155

EARLY BEGINNINGS ACADEMY CIVIC CENTER, EARLY BEGINNINGS ACADEMY NORTH
SHORE AND TRANSITIONAL LEARNING ACADEMY CHARTER SCHOOLS
COMBINED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2006

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 57,157
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	28,397
(Increase) decrease in:	
Due to/from United Cerebral Palsy of South Florida Charter Schools, Inc.	(21,507)
Increase (decrease) in:	
Accounts payable and accrued expenses	130,119
Grant funds refundable	99,505
	<u>236,514</u>
TOTAL ADJUSTMENTS	236,514
NET CASH PROVIDED BY OPERATING ACTIVITIES	293,671
CASH FLOWS FROM INVESTING ACTIVITIES	
Additions to furniture and equipment	<u>(136,780)</u>
NET CASH USED IN INVESTING ACTIVITIES	(136,780)
	156,891
NET INCREASE IN CASH	156,891
CASH AT BEGINNING OF (INITIAL) YEAR	<u>-</u>
CASH AT END OF YEAR	<u>\$ 156,891</u>

See notes to special purpose financial statements.

EARLY BEGINNINGS ACADEMY CIVIC CENTER, EARLY BEGINNINGS ACADEMY
NORTH SHORE AND TRANSITIONAL LEARNING ACADEMY CHARTER SCHOOLS
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2006

**Note 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

Nature of Activities

United Cerebral Palsy of South Florida Charter Schools, Inc. (the Organization) is a non-profit organization incorporated under the laws of the State of Florida to provide educational and support services to developmentally disabled children and adolescents ages birth through 22 years; be a community resource for children and adolescents with developmental disabilities; and provide daycare, after school and other related services to children and adolescents of the community, including operating charter schools organized pursuant to Section 228.065 of the Florida Statutes (2001). This is the Organization's initial year of operation.

On November 14, 2004, the School Board of Miami-Dade County, Florida (the School Board) approved the applications submitted by the Board of Directors of United Cerebral Palsy of South Florida Charter Schools, Inc. for the creation of the Early Beginnings Academy Civic Center Charter School (EBA Civic), the Early Beginnings Academy North Shore Charter School (EBA North Shore) and the Transitional Learning Academy Charter School (TLA). The three schools will be referred to collectively as the Schools in these special purpose financial statements.

The charters for the three schools were executed on April 14, 2005 and are effective for a period of 5 years commencing on the first day of the 2005-2006 school year, and ending on June 30, 2010. All three charters may be renewed for up to an additional fifteen (15) years by mutual written agreement between the Schools and the School Board. At the end of the term of the charters, the School Board may choose not to renew the charters under grounds specified in the charter in which case the School Board is required to notify the Schools in writing at least 90 days prior to the charters termination.

Pursuant to Section 228.056(11)(e), Florida Statutes (2001), the charter school contract provides that in the event the Schools are 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.

In addition to the above mentioned schools, the Organization received approval of its application to the School Board of Broward County for the creation of its Early Beginnings Academy West Charter School (EBA West) on June 21, 2005 which began operations at the start of the 2005-2006 school year.

The schools are accounted for as programs of the Organization. The governing body of the Schools is the Organization's Board of Directors.

Note 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

School Location and Enrollment

<u>School Name and Address</u>	<u>Location No.</u>	<u>Grades</u>	<u>Enrollment</u>	<u>School Principal</u>
Early Beginnings Academy Civic Center 1411 N.W. 14 th Avenue, Miami, FL 33125	4070	Pre-K, K	43	Dr. Leigh Kapps
Early Beginnings Academy North Shore 985 NW 91 st Street, Miami, FL 33150	4080	Pre-K, K	23	Carol Byrd
Transitional Learning Academy 1411 N.W. 14 th Avenue, Miami, FL 33125	6027	8 th - 12 th	23	Pam Miller

Board of Directors

The Board of Directors of United Cerebral Palsy of South Florida Charter Schools, Inc. consists of the following members:

Roy R. Lustig	Chairperson
Jack Schillinger	Vice-Chairperson/Treasurer
Anne Steinhart	Secretary
Marge Schillinger	Member
Joseph A. Aniello	President and CEO

Basis of Presentation

The accounts of the Schools are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting purposes into funds established according to their nature and purpose.

The special purpose financial statements present the combined statements of financial position, activities and cash flows for the Early Beginnings Academy Civic Center, Early Beginnings Academy North Shore and Transitional Learning Academy Charter Schools only and do not include the assets, liabilities, net assets and statements of activities and cash flows of Early Beginnings Academy West and United Cerebral Palsy of South Florida Charter Schools, Inc.

For financial reporting purposes Early Beginnings Academy Civic Center, Early Beginnings Academy North Shore and Transitional Learning Academy Charter Schools are programs of United Cerebral Palsy of South Florida Charter Schools, Inc. and are included in the Organization's annual financial statements.

Financial Statements Presentation

The Organization adopted the following Statements of Financial Accounting Standards (SFAS):

Note 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 117 requires the reporting of information regarding its financial position and activities according to three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) based upon the existence or absence of donor-imposed restrictions.

Contributions

SFAS No. 116, "Accounting for Contributions Received and Contributions Made". In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. However, donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

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.

Accounts Receivable

The Organization uses the allowance method to account for uncollectible accounts receivable. The allowance for doubtful accounts is based on management analysis of possible bad debts. As of June 30, 2006, there were no accounts receivable and accordingly, there is no allowance for doubtful accounts.

Property and Equipment

Property and equipment are recorded at cost, except for donated assets which are recorded at their estimated fair value at the date of donation. The straight-line method is used to provide for depreciation over the estimated useful lives of the assets. Maintenance and repairs are charged to operations; replacements and improvements are capitalized.

Due to/from United Cerebral Palsy of South Florida Charter Schools, Inc.

The Schools are accounted for as programs of United Cerebral Palsy of South Florida Charter Schools, Inc. The amounts due to/from the Schools represent funds advanced or received between the individual Charter Schools and United Cerebral Palsy of South Florida Charter Schools, Inc.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make

Note 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Goods and Services

Contributions of donated noncash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

Note 2 TAX STATUS

The Organization is a non-profit voluntary health agency exempt from federal income taxes under Sec. 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Sec. 509(a) of the Internal Revenue Code. The Organization's activities have been in furtherance of its tax-exempt purpose and there is no unrelated business income subject to taxation.

Note 3 TEMPORARILY RESTRICTED NET ASSETS

As of June 30, 2006, temporarily restricted net assets represent a contribution of \$39,000 from a foundation which is designated for the purpose of funding program supplies and equipment for EBA North Shore.

Note 4 PROPERTY AND EQUIPMENT

The Schools property and equipment consists of the following as of June 30, 2006:

Furniture and equipment	\$ 136,834
Less: Accumulated depreciation	<u>28,451</u>
	<u>\$ 108,383</u>

Note 5 EMPLOYEE BENEFIT PLANS

The Organization has a 403(b) retirement plan. Under 403(b), the employees may contribute up to 100 percent of their annual compensation, subject to certain statutory limitations. The Organization matches employee contributions at 50 percent up to 6 percent of the employees' contribution. The Organization's contributions to the 403(b) vest ratably over two to six years of service as specified in the plan. For the year ended June 30, 2006, the Organization's cost under the retirement plan was approximately \$4,704.

Note 6 REVENUE SOURCES

The following is a detail of the revenue sources of the Schools:

	June 30, 2006			
	EBA Civic	EBA North Shore	TLA	Total
<u>Miami-Dade County School Board:</u>				
Florida Education Finance Program	\$ 209,974	\$ 95,807	\$ 260,266	\$ 566,047
Instructional materials/textbooks	3,881	1,892	2,694	8,467
Transportation	20,007	8,424	5,265	33,696
Supplemental academic instruction	17,433	7,899	21,519	46,851
Instruction technology	811	396	563	1,770
ESE guaranteed allocation	250,575	108,785	120,680	480,040
Safe schools	1,511	737	1,049	3,297
Teacher training	313	142	386	841
EEC allocation	435	210	300	945
Class size reduction program	27,771	12,680	32,931	73,382
Sub-total	<u>532,711</u>	<u>236,972</u>	<u>445,653</u>	<u>1,215,336</u>
Less: 5% Administrative overhead	26,636	11,866	22,281	60,783
Total	<u>\$ 506,075</u>	<u>\$ 225,106</u>	<u>\$ 423,372</u>	<u>\$ 1,154,553</u>
<u>Federal Grants:</u>				
Public Charter School				
Federal Grant Program	<u>\$ 163,292</u>	<u>\$ 177,953</u>	<u>\$ 188,154</u>	<u>\$ 529,399</u>

Note 7 RELATED PARTY TRANSACTIONS

Because of the existence of common members on the board of directors and other factors, United Cerebral Palsy of South Florida Charter Schools, Inc., United Cerebral Palsy Association of Miami, Inc. (UCPM) and United Cerebral Palsy of Broward County, Inc. (UCPB), are considered to be related parties for financial statement reporting purposes. These organizations are tax-exempt not-for-profit corporations who provide services to the developmentally disabled and the handicapped. The Organization provides to the aforementioned organizations managerial, administrative, accounting and other related services and provides funds for start up costs and working capital.

UCPM provides to the Organization managerial, administrative, accounting and other related services. UCPM leases classroom space and facilities to the Schools.

The agreement between UCPM and the schools for administrative services is based on a fee of five per cent of the net revenue from the School Board. The administrative fees paid to UCPM during the year ended June 30, 2006 were as follows:

EBA Civic	\$ 25,302
EBA North Shore	11,256
TLA	<u>21,172</u>
	<u>\$ 57,730</u>

Note 7 RELATED PARTY TRANSACTIONS (continued)

In addition the agreement states the cost of services, if any, provided for leadership, classroom personnel and therapy services will be reimbursed based on the time spent at the employees hourly rate plus benefits.

UCPM's central office is located at 2700 West 81st Street, Hialeah, Florida and their main program facility is located at 1411 N.W. 14th Street, Miami, Florida.

UCPM's Board of Directors is as follows:

Norman Bonchick	Chairperson
Ruth Spivak	Vice-Chairperson
Richard Rangel	Secretary
Craig Steinhart	Treasurer
Jack Schillinger	Chairperson Emeritus
Joseph A. Aniello	President and CEO

The Schools lease their classroom facilities from UCPM. The lease for each School is for the period beginning May 1, 2005 to June 30, 2010, with options to renew for two five-year periods. Annual increase in rent shall not exceed 7.5%. The monthly rent required during the initial year of the lease are as follows:

EBA Civic	\$ 4,500
EBA North Shore	3,000
TLA	3,000

The rent expense for the year ended June 30, 2006 is as follows:

EBA Civic	\$ 49,500
EBA North Shore	33,000
TLA	<u>33,000</u>
	<u>\$ 115,500</u>

The minimum future lease payments for the schools are as follows:

	EBA Civic	EBA North Shore	TLA
2007	\$ 56,700	\$ 37,800	\$ 37,800
2008	56,700	37,800	37,800
2009	56,700	37,800	37,800
2010	56,700	37,800	37,800
	<u>\$ 226,800</u>	<u>\$ 151,200</u>	<u>\$ 151,200</u>

Note 8 ECONOMIC DEPENDENCE

For the year ended June 30, 2006, revenues for program services from the School Board represented approximately 99% of the Schools total program revenues. The Schools ability to continue operating and to provide program services is predicated on

Note 8 ECONOMIC DEPENDENCE (continued)

the School Board's continued support and funding of its programs. If a significant reduction were to occur, it would have an adverse effect on the Schools ability to continue operating the programs and services being provided.

Note 9 FEDERAL GRANTS

The following grants were received during the year ended June 30, 2006.

Funding Source:

Pass through Program from the Florida Department of Education - 2005-2008 Public Charter School Planning, Program Design, and Initial Implementation Project.

<u>School</u>	<u>Grant No.</u>	<u>Federal CFDA No.</u>	<u>Grant Contract Period</u>	<u>Total Grant</u>	<u>Recognized Support</u>
The School Board of Miami-Dade County:					
EBA Civic	130-2983B-6C017	84.282A	July 1, 2005 - September 30, 2008	\$ 163,292	\$ 163,292
EBA North Shore	130-2983B-6C016	84.282A	July 1, 2005 - September 30, 2008	177,953	177,953
TLA	130-2983B-5C015	84.282A	May 10, 2005 - September 30, 2006	287,659	188,154
Total					<u>\$ 529,399</u>
The School Board of Broward County:					
EBA West	060-2983B-6C007	84.282A	July 1, 2005 - September 30, 2008	\$ 247,320	<u>\$ 145,005</u>

Note 10 CONTINGENCY

UCPM has contributed \$316,000 to fund the capital required in the initial year of operation of the Schools. UCPM is not obligated to provide capital for the continued operations of the Schools. The continued operations of the Schools may be predicated on UCPM's continued support based on the increase in unrestricted net assets for the Schools for the year ended June 30, 2006.

COMBINING SPECIAL PURPOSE FINANCIAL STATEMENTS

EARLY BEGINNINGS ACADEMY CIVIC CENTER, EARLY BEGINNINGS ACADEMY NORTH SHORE AND
TRANSITIONAL LEARNING ACADEMY CHARTER SCHOOLS
COMBINING STATEMENT OF FINANCIAL POSITION

June 30, 2006

	Early Beginnings Academy Civic Center Charter School	Early Beginnings Academy North Shore Charter School	Transitional Learning Academy Charter School	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 40,157	\$ 26,187	\$ 90,547	\$ 156,891
Due from United Cerebral Palsy of South Florida Charter Schools, Inc.	-	34,485	-	34,485
TOTAL CURRENT ASSETS	40,157	60,672	90,547	191,376
PROPERTY AND EQUIPMENT, net	28,429	21,137	58,817	108,383
TOTAL ASSETS	\$ 68,586	\$ 81,809	\$ 149,364	\$ 299,759
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 59,456	\$ 31,421	\$ 39,242	\$ 130,119
Grant funds refundable	-	-	99,505	99,505
Due to United Cerebral Palsy of South Florida Charter Schools, Inc.	3,168	-	9,810	12,978
TOTAL CURRENT LIABILITIES	62,624	31,421	148,557	242,602
TOTAL LIABILITIES	62,624	31,421	148,557	242,602
NET ASSETS				
Unrestricted net assets:				
Undesignated	5,962	11,388	807	18,157
Temporarily restricted net assets:				
Restricted for supplies and equipment	-	39,000	-	39,000
TOTAL NET ASSETS	5,962	50,388	807	57,157
TOTAL LIABILITIES AND NET ASSETS	\$ 68,586	\$ 81,809	\$ 149,364	\$ 299,759

See notes to special purpose financial statements.

EARLY BEGINNINGS ACADEMY CIVIC CENTER, EARLY BEGINNINGS ACADEMY NORTH SHORE AND TRANSITIONAL
LEARNING ACADEMY CHARTER SCHOOLS
COMBINING STATEMENT OF ACTIVITIES
Year Ended June 30, 2006

	Early Beginnings Academy Civic Center Charter School	Early Beginnings Academy North Shore Charter School	Transitional Learning Academy Charter School	Total
CHANGES IN UNRESTRICTED NET ASSETS				
SUPPORT AND REVENUE				
Local	\$ 506,075	\$ 225,106	\$ 423,372	\$ 1,154,553
Federal grants	163,292	177,953	188,154	529,399
Other	2,998	4,247	2,412	9,657
Contributions	175,000	155,000	1,000	331,000
TOTAL REVENUES	847,365	562,306	614,938	2,024,609
EXPENSES				
Exceptional student instruction	346,732	164,238	184,601	695,571
Other instruction	-	-	920	920
Pupil personnel services	54,519	50,480	55,974	160,973
Instructional media services	32,806	22,604	13,200	68,610
Instructional and curriculum development services	50,167	43,406	27,297	120,870
Instructional staff training services	2,354	2,353	3,918	8,625
School administration	109,940	84,375	130,497	324,812
Fiscal services	13,819	13,783	17,971	45,573
Food services	-	4,947	23,730	28,677
Central services	79,356	71,307	41,680	192,343
Pupil transportation services	85,708	37,813	60,500	184,021
Operation of plant	56,274	41,595	40,955	138,824
Maintenance of the plant	435	7,747	-	8,182
Depreciation	9,293	6,270	12,888	28,451
TOTAL EXPENSES	841,403	550,918	614,131	2,006,452
INCREASE IN UNRESTRICTED NET ASSETS	5,962	11,388	807	18,157
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS				
Contributions restricted for supplies and equipment	-	39,000	-	39,000
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	-	39,000	-	39,000
TOTAL INCREASE IN NET ASSETS	5,962	50,388	807	57,157
NET ASSETS AT BEGINNING OF (INITIAL) YEAR	-	-	-	-
NET ASSETS AT END OF YEAR	\$ 5,962	\$ 50,388	\$ 807	\$ 57,157

See notes to special purpose financial statements.

EARLY BEGINNINGS ACADEMY CIVIC CENTER, EARLY BEGINNINGS ACADEMY NORTH SHORE AND
 TRANSITIONAL LEARNING ACADEMY CHARTER SCHOOLS
 COMBINING STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2006

	Early Beginnings Academy Civic Center Charter School	Early Beginnings Academy North Shore Charter School	Transitional Learning Academy Charter School	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Increase in net assets	\$ 5,962	\$ 50,388	\$ 807	\$ 57,157
Adjustments to reconcile increase in net assets to net cash provided by operating activities:				
Depreciation and amortization	9,239	6,270	12,888	28,397
(Increase) decrease in:				
Due to/from United Cerebral Palsy of South Florida Charter Schools, Inc.	3,168	(34,485)	9,810	(21,507)
Increase (decrease) in:				
Accounts payable and accrued expenses	59,456	31,421	39,242	130,119
Grant funds refundable			99,505	99,505
TOTAL ADJUSTMENTS	71,863	3,206	161,445	236,514
NET CASH PROVIDED BY OPERATING ACTIVITIES	77,825	53,594	162,252	293,671
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to furniture and equipment	(37,668)	(27,407)	(71,705)	(136,780)
NET CASH USED IN INVESTING ACTIVITIES	(37,668)	(27,407)	(71,705)	(136,780)
NET INCREASE IN CASH	40,157	26,187	90,547	156,891
CASH AT BEGINNING OF (INITIAL) YEAR	-	-	-	-
CASH AT END OF YEAR	\$ 40,157	\$ 26,187	\$ 90,547	\$ 156,891

See notes to special purpose financial statements.

THOMAS J. SIMS, P.A.
Certified Public Accountant & Management Consultant

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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 United
Cerebral Palsy of South Florida Charter Schools,
Inc.

I have audited the special purpose financial statements of Early Beginnings Academy Civic Center, Early Beginnings Academy North Shore and Transitional Learning Academy Charter Schools (the Schools) as of and for the year ended June 30, 2006, and have issued our report dated November 7, 2006. I conducted my 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 my audit, I considered the Schools' internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Schools' basic financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of non-compliance that are required to be reported under Government Auditing Standards and which are described in the schedule of findings as item 2006-1.

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



Miami, Florida
November 7, 2006

THOMAS J. SIMS, P.A.
Certified Public Accountant & Management Consultant

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Miami, Florida 33161

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MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF
THE STATE OF FLORIDA

To the Board of Directors and Officers of United
Cerebral Palsy of South Florida Charter Schools,
Inc.

I have audited the special purpose financial statements of the Early Beginnings Academy Civic Center, Early Beginnings Academy North Shore and Transitional Learning Academy Charter Schools (the Schools) as of and for the year ended June 30, 2006, and have issued my report thereon dated November 7, 2006. I conducted my 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. I have also issued my report on internal control over financial reporting and on compliance and other matters; which is dated November 7, 2006, and should be considered in conjunction with this management letter.

In connection with my audit of the special purpose financial statements of the Schools for the year ended June 30, 2006, I report the following in accordance with Chapter 10.850 Rules of the Auditor General, Charter School Audits which requires that this report specifically address but not be limited to the matters outlined in Rule 10.854(1)(d):

1. This is the Schools' initial audit.
2. The Schools did not meet any of the conditions described in Section 218.503(1) Florida Statutes.
3. There were no recommendations to improve the Schools' present financial management, accounting procedures and internal controls.
4. During the course of my audit, I did not find any, (except as noted in the schedule of findings item number 2006-1):
 - a. Violation of any laws, rules, regulations, contracts, and grant agreements or abuse that:
 - (1) have occurred, or are likely to have occurred;
 - (2) were discovered within the scope of the financial audit; and
 - (3) may or may not have a materially affected the financial statements
 - b. Improper expenditures discovered within the scope of the financial audit which may or may not materially affect the financial statements.
 - c. Deficiencies in internal control that are not reportable condition, including but not limited to:
 - (1) Improper or inadequate accounting procedures.
 - (2) Failures to properly record financial transactions.
5. The names of the charter schools are as follows:
Early Beginnings Academy Civic Center Charter School
Early Beginnings Academy North Shore Charter School
Transitional Learning Academy Charter School

To the Board of Directors and Officers of
United Cerebral Palsy of South Florida
Charter Schools, Inc.

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



Miami, Florida
November 7, 2006

EARLY BEGINNINGS ACADEMY CIVIC CENTER, EARLY BEGINNINGS ACADEMY NORTH
SHORE AND TRANSITIONAL LEARNING ACADEMY CHARTER SCHOOLS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
YEAR ENDED JUNE 30, 2006

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**2006-1 UNTIMELY SUBMISSION OF FINANCIAL AUDIT REPORT REQUIRED BY
CONTRACT**

The Schools' books of account were not timely completed in order to facilitate the audit required to comply with the deadline of September 1, 2006 required by its contract with the School Board of Miami-Dade County, Florida.

Recommendation:

We recommend that the Schools closely monitor the processing of the required financial transactions on a monthly basis and set specific deadlines for meeting its required contractual deadlines, adding additional personnel, if required.

Managements' Response:

Management has established policies and procedures to ensure the audited financial statements are submitted timely.

**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).
- N/A 5. The financial statements must include comparative totals for the prior year.
- N/A 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).
 - ATTACHED 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.
 - NONE 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 Thomas J. Sims, CPA
 - CPA's Address 11077 Biscayne Blvd., Suite 301, Miami, Florida
 - License No. AC0004095 Status Active
 - Expiration Date December 31, 2008

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.