

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES**

**(A CHARTER SCHOOL AUTHORITY ESTABLISHED BY, AND UNDER THE AUSPICES OF, MIAMI SHORES
VILLAGE, A FLORIDA MUNICIPAL CORPORATION)**

Miami Shores, Florida

Basic Financial Statements and
Independent Auditors' Report

June 30, 2006

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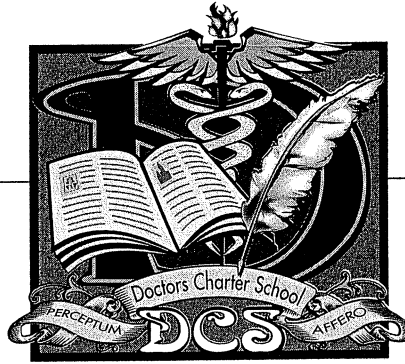
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INTRODUCTORY SECTION



DOCTORS CHARTER SCHOOL OF MIAMI SHORES

A college preparatory school dedicated to developing each student's full potential

August 30, 2006

Board of Directors
Miami Shores Village Charter School Authority
D/B/A Doctors Charter School of Miami Shores
Miami Shores, Florida

This report consists of management's representation concerning the finances of Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores (DCSMS). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

DCSMS's financial statements have been audited by Regino Rodriguez, CPA & Company, PA, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of DCSMS for the year ended June 30, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that DCSMS's financial statements for the fiscal year ended June 30, 2006, and are fairly presented in conformity with generally accepted accounting principals (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. DCSMS's MD&A can be found immediately following the report of the Independent Auditors.

Respectfully submitted,

William Heffernan
Chairman

Dr. Margorie Wessel
Principal/Executive Director

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES**

11301 N.W. 5th Avenue
Miami Shores, Florida 33168
(305) 754-2381

SCHOOL YEAR: 2005-2006

Administration

Executive Director: Maggie Manrara (until 03-17-06)
Marjorie P. Wessel (03-25-06 – present)

Board of Directors

Chairperson William Heffernan (2004-2006)

Vice Chairperson Joan Lutton (2004-2006)

Treasurer Steve Johnson (2004-2006)

Secretary Alice Burch (2004-2006)

Board Members Reid Bernstein (2005-2006) Jorge Garcia (2004-2006)
Jennifer Bolton (2005-2006) Lisette Reid (2004-2006)
John Kathe (2004-2006) Dennis Kleinman (2005-2006)
Marion Faldas (2005-2006) Joe Obermeyer (2006-2007)
Maria E. Stallions (2004-2006)

Doug Garber (2004-2005)
Elaine Liftin (2004-2005)
Kristen Montuori (2004-2005)
Sr. Evelyn Piche (2004-2005)
Fred Thompson (2005-2006)

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Directors
Miami Shores Village Charter School Authority
D/B/A Doctors Charter School of Miami Shores
Miami Shores, Florida

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores, (DCSMS) a Charter School Authority established by, and under the auspices of, Miami Shores Village, a Florida municipal corporation, as of, and for the period from inception (November 4, 2003) through June 30, 2006, which collectively comprise DCSMS's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of DCSMS's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

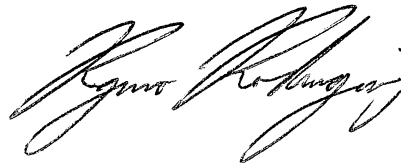
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of DCSMS, as of June 30, 2006 and the respective changes in financial position for the period then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2006, on our consideration of DCSMS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (MD&A) on pages 5 through 9 and the Schedule of Revenues, Expenditures and Changes in Fund Balance—budget to actual on page 21 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required 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 financial statements that collectively comprise DCSMS's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Robert Rodriguez CPA & Co., P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 21, 2006

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

As management of Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores (DCSMS), we offer readers of DCSMS's financial statements this narrative overview and analysis of the financial activities of the DCSMS for the period from inception (November 4, 2003) through June 30, 2006. We encourage readers to consider this information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

DCSMS provided middle and high school education for 428 students in grades six through ten under a charter sponsored by the District School Board of Miami-Dade County, Florida (the "School District").

Our new school consists of three concrete buildings on a five acre campus. The buildings include a 5,300 square foot media center, an 8,000 square foot cafeteria, and a 33,000 square foot, two story classroom building. The building is a concrete structure with state-of-the-art science labs, a media center, music room, dining area and an outdoor physical education court.

Financial Highlights

- Effective June 30, 2005, the DCSMS received all of the operating assets and substantially all of the cash and operating liabilities of Miami Shores/Barry University "Connected Learning Community" (CLC), Inc. D/B/A Miami Shores/Barry University Charter School (CLC), an existing Charter School. The amounts transferred were approximately; cash \$266,000, receivables \$4,000, book value of the fixed assets \$402,000, and liabilities \$93,000.
- Following this transfer and the granting by the District School Board of Miami-Dade County of a School Charter to DCSMS, CLC surrendered its charter to the District School Board of Miami-Dade County. DCSMS currently operates as a combined middle and high school. DCSMS assumed responsibility for all school records and each of the previous students at CLC matriculated to DCSMS.
- The fund balance of \$579,700 was transferred to DCSMS to assist in the opening of a newly constructed permanent school facility and is reflected in the financial statements as a contribution from CLC. These new facilities opened August 8, 2005 with the beginning of the 2005/2006 school year. In prior years, CLC had operated out of portable and modular buildings located on the grounds of Barry University.
- DCSMS earned an "A" in the Florida School Accountability Program for the 2005-2006 school year and is entitled to receive award funds. These funds will be distributed to the faculty and staff responsible for DCSMS's performance.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the DCSMS's basic financial statements. DCSMS's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

The *statement of net assets* presents information on all of DCSMS's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of DCSMS is improving or deteriorating.

The *statement of activities* presents information showing how DCSMS's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event resulting in the change occurs, *regardless of the timing of related cash flows*. Thus, 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 10-11 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. DCSMS, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the DCSMS are governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

DCSMS adopts an annual appropriated budget for its general fund. A budgetary comparison has been provided for the general fund to demonstrate compliance with this budget.

The basic government fund financial statements can be found on pages 12-13 of this report.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

Notes to financial statements. The notes 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 14-20 of this report.

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 DCSMS, at June 30, 2006 assets exceeded liabilities by \$316,599.

A summary of the DCSMS's net assets for the period from inception (November 4, 2003) through June 30, 2006 follows:

| | |
|--|------------------|
| Cash | \$ 12,343 |
| Receivables | 47,048 |
| Prepaid expenses and other assets | 34,505 |
| Capital assets | <u>726,898</u> |
| Total assets | \$820,794 |
| Due to other government agencies | \$ 21,879 |
| Accounts payable | 307,316 |
| Long-term payable to other governments | <u>175,000</u> |
| Total liabilities | \$504,195 |
| Invested in capital assets | \$726,898 |
| Board restricted for designated activities | 25,894 |
| Unrestricted | <u>(436,193)</u> |
| Total net assets | \$316,599 |

At the end of the current fiscal year, DCSMS is able to report positive balances in net assets.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

A summary of the DCSMS's change in net assets for the period from inception (November 4, 2003) through June 30, 2006 follows:

Revenues

| | |
|---|----------------------|
| Program revenues | |
| Operating grants and contributions | \$ 385,557 |
| Capital grants and contributions | 267,048 |
| Charges for services | 124,911 |
| General revenues | |
| Grants and contributions not restricted to specific programs | 2,367,578 |
| Interest | 5,126 |
| Fundraising | 36,879 |
| Other | <u>4,954</u> |
| Total revenues | 3,192,053 |

Expenses

| | |
|--|--------------------------|
| Instructional services | 2,120,860 |
| Instructional and curriculum development | 154,919 |
| Instructional staff – training services | 1,601 |
| General administration | 266,042 |
| School administration | 350,933 |
| Fiscal services | 212,524 |
| Central services | 70,667 |
| Pupil transportation services | 46,009 |
| Community services | 4,035 |
| Maintenance of plant | 72,687 |
| Unallocated depreciation and disposal loss | <u>154,877</u> |
| Total expenses | 3,455,154 |
| Decrease from operating activities | (263,101) |
| Contribution from MS/BU Charter School | 579,700 |
| Change in Net Assets | <u>316,599</u> |
| <u>Net assets at end of year</u> | <u>\$ 316,599</u> |

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006**

DCSMS received operating grants and contributions of \$385,557 in the form of Florida School Accountability Program funds of \$17,800, grant contributions from North Dade Medical Foundation and other private donations. DCSMS also received capital grants and contributions of \$267,048 comprised of \$220,000 in capital grants from North Dade Medical Foundation and \$47,048 in capital outlay funds.

For those students who live more than two miles and less than four miles from DCSMS facilities, DCSMS receives transportation funding from the School District using the FEFP formula to reimburse DCSMS for the cost of transporting these students to school. DCSMS received approximately \$27,000 for the 2005-2006 school year for 77 students or \$351 per student. The cost of providing transportation services was approximately \$46,000 or \$597 per student. DCSMS thus provided transportation services at an annual deficit of \$19,000 or \$246 per student. This deficit was funded through donations, interest, and general fundraising.

Financial Analysis of the Government's Funds

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

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

Request for Information

This financial report is designed to provide a general overview of the DCSMS's finances for all those with an interest in the DCSMS's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to Margorie Wessel, Executive Director, Doctors Charter School, 11301 N.W. 5th Avenue, Miami Shores, Florida 33168. Telephone number (305) 754-2381.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A/ DOCTORS CHARTER SCHOOL OF MIAMI SHORES**

**STATEMENT OF NET ASSETS
JUNE 30, 2006**

| <u>ASSETS</u> | |
|--|------------|
| Current Assets: | |
| Cash | \$ 12,343 |
| Due from other government agencies | 47,048 |
| Prepaid expenses | 10,289 |
| | 69,680 |
| Capital Assets: | |
| Buildings and fixed equipment | 513,502 |
| Less accumulated depreciation | (51,350) |
| Furniture and fixtures | 548,866 |
| Less accumulated depreciation | (290,783) |
| Computer software | 8,475 |
| Less accumulated depreciation | (1,812) |
| | 726,898 |
| Other assets: | |
| Deposits | 24,216 |
| TOTAL ASSETS | \$ 820,794 |
| <u>LIABILITIES AND NET ASSETS</u> | |
| Current Liabilities: | |
| Accounts payable and accrued liabilities | \$ 307,316 |
| Due to other government agencies | 21,879 |
| | 329,195 |
| Long-term payable to other government agency | 175,000 |
| TOTAL LIABILITIES | 504,195 |
| Net Assets: | |
| Invested in capital assets | 726,898 |
| Board restricted for designated activities | 18,190 |
| Unrestricted | (428,489) |
| TOTAL NET ASSETS | 316,599 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 820,794 |

The accompanying notes are an integral part of this financial statement

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A/ DOCTORS CHARTER SCHOOL OF MIAMI SHORES**

**STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM INCEPTION (NOVEMBER 4, 2003) THROUGH JUNE 30, 2006**

| FUNCTIONS | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets | |
|--|------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | | Capital Grants and Contributions |
| Component Unit Activities: | | | | | |
| Instruction | \$ 2,120,860 | | \$ 385,557 | \$ 220,000 | \$ (1,515,303) |
| Instructional and curriculum development | 154,919 | \$ 124,911 | | | (30,008) |
| Instructional staff training services | 1,601 | | | | (1,601) |
| General administration | 266,042 | | | | (266,042) |
| School administration | 350,933 | | | | (350,933) |
| Fiscal services | 212,524 | | | | (212,524) |
| Central services | 70,667 | | | | (70,667) |
| Pupil transportation services | 46,009 | | | | (46,009) |
| Community services | 4,035 | | | | (4,035) |
| Maintenance of plant | 72,687 | | | 47,048 | (25,639) |
| Unallocated depreciation and loss on disposal of assets | 154,877 | | | | (154,877) |
| Total Component Unit Activities | 3,455,154 | 124,911 | 385,557 | 267,048 | (2,677,638) |

GENERAL REVENUES:

| | |
|---|-----------|
| Government grants not restricted to specific programs | 2,367,578 |
| Interest | 5,126 |
| Fundraising | 36,879 |
| Other revenue | 4,954 |

SPECIAL ITEM:

| | |
|---|----------------|
| Contribution from Miami Shores/Barry University Charter School (See Note 6) | <u>579,700</u> |
|---|----------------|

| | |
|------------------------|-------------------|
| Change in Net Assets | 316,599 |
| NET ASSETS - BEGINNING | - |
| NET ASSETS - ENDING | <u>\$ 316,599</u> |

The accompanying notes are an integral part of this financial statement

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A/ DOCTORS CHARTER SCHOOL OF MIAMI SHORES**

**BALANCE SHEET
JUNE 30, 2006**

| | | Governmental Funds (General Fund) |
|--|----|---|
| <u>ASSETS</u> | | |
| Cash | \$ | 12,343 |
| Due from other government agencies | | 47,048 |
| Prepaid expenses | | 10,289 |
| Deposits | | 24,216 |
| | | |
| TOTAL ASSETS | \$ | <u>93,896</u> |
| <u>LIABILITIES</u> | | |
| Accounts payable and accrued liabilities | \$ | 307,316 |
| Due to other government agencies | | 21,879 |
| TOTAL LIABILITIES | | <u>329,195</u> |
| <u>FUND BALANCE</u> | | |
| Unreserved | | (253,489) |
| Reserved for designated activities | | 18,190 |
| TOTAL FUND BALANCE | | <u>(235,299)</u> |
| | | |
| TOTAL LIABILITIES AND FUND BALANCE | \$ | <u>93,896</u> |

The accompanying notes are an integral part of this financial statement

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A/ DOCTORS CHARTER SCHOOL OF MIAMI SHORES**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE PERIOD FROM INCEPTION (NOVEMBER 4, 2003) THROUGH JUNE 30, 2006**

| REVENUES | General Fund | Building Fund | Non-Major Fund Fundraising | Total Governmental Funds |
|--|--------------|------------------|----------------------------------|--------------------------------|
| Capital Outlay Funding | \$ 47,048 | | | \$ 47,048 |
| State Sources | 2,385,378 | | | 2,385,378 |
| Local Sources | 887,668 | | | 887,668 |
| Fundraising | | | \$ 36,879 | 36,879 |
| Interest | 5,126 | | | 5,126 |
| Other Revenue | 4,954 | | | 4,954 |
| Total Revenues | \$ 3,330,174 | \$ - | \$ 36,879 | \$ 3,367,053 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | \$ 2,112,280 | \$ - | \$ 8,580 | \$ 2,120,860 |
| Instructional and curriculum development | 154,919 | | | 154,919 |
| Instructional staff training services | 1,601 | | | 1,601 |
| General administration | 266,042 | | | 266,042 |
| School administration | 350,933 | | | 350,933 |
| Fiscal services | 212,524 | | | 212,524 |
| Central services | 70,667 | | | 70,667 |
| Pupil transportation services | 46,009 | | | 46,009 |
| Community services | 1,630 | | 2,405 | 4,035 |
| Maintenance of plant | 72,687 | | | 72,687 |
| Capital outlay: | | | | |
| Other capital outlay | 391,079 | 80,710 | 7,704 | 479,493 |
| Total Expenditures | 3,680,371 | 80,710 | 18,689 | 3,779,770 |
| Excess (Deficit) of Revenues Over Expenditures | (350,197) | (80,710) | 18,190 | (412,717) |
| SPECIAL ITEM | | | | |
| Contribution from MS/BU Charter School | 96,708 | 80,710 | | 177,418 |
| Net change in fund balance | (253,489) | | 18,190 | (235,299) |
| Fund Balance at beginning of year | - | - | - | - |
| Fund Balance at end of year | \$ (253,489) | \$ - | \$ 18,190 | \$ (235,299) |

The accompanying notes are an integral part of this financial statement

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores (DCSMS) was created under Chapter 2, Article VI, Sections 2.90 et seq. of the Miami Shores Village Code, a Florida municipal corporation and has established a charter school for children from grades six through twelve.

The general operating authority of DCSMS is contained in Section 1002.33 of the Florida Statutes. DCSMS operated under a charter of the sponsoring district, the District School Board of Miami-Dade County, Florida (the “District”). The charter is effective until June 30, 2020. These financial statements are for the period from inception (November 4, 2003) through June 30, 2006 which covers the 2005-2006 school year. DCSMS had an enrollment of 428 students during that school year.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements.

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities and changes in net assets. These statements report information for DCSMS 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 functional activity. Program revenues include: (1) charges for services which report fees; (2) operating grants and contributions which finance 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 each major governmental fund. Non-major funds are summarized into a single column.

DCSMS reports the following major funds:

- General Fund – used to account for the full-time equivalent (FTE) revenue received from the District and the expenditures incurred under the charter with the District. In addition, it accounts for unrestricted contributions, interest income and other income
- Building Fund – used to account for resources segregated for the construction and improvement of a permanent facility for DCSMS.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, DCSMS reports the following non-major fund:

- Fundraising Fund – used to account for revenues from fundraising events and other private sources which are designated to finance particular functions and activities in accordance with administrative requirements. The fundraising consist of the following events:
 - Brick pavers campaign
 - Library donations

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of DCSMS are prepared in accordance with generally accepted accounting principles (GAAP). DCSMS's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) 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 financial statements report using 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-wide financial statements also report capital assets and long-term debt.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. 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. DCSMS considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term debt and other liabilities which are reported as expenditures when the obligations are expected to be liquidated with expendable available financial resources.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the period, expenditures were controlled at the function level.

Cash

Cash and cash equivalents include cash on hand, demand deposits and any short-term investments with original maturities of three months or less from the date of acquisition.

Due from Other Government Agencies

Amounts due to DCSMS by other government agencies are for grants or programs for which services have been provided by DCSMS.

Capital Assets

DCSMS's property, plant and equipment with useful lives of more than one year are stated at historical cost and reported in the statement of net assets in the government-wide financial statements. Donated assets are stated at fair value on the date donated. DCSMS generally capitalizes assets with a cost of more than \$750 for tangible personal property and more than \$1,500 for improvements other than buildings. 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 over the estimated useful life of the asset. 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 the statement of activities. Estimated useful lives, in years, for depreciable assets are as follows:

| | |
|-----------------------------------|----------|
| Improvements other than buildings | 10 Years |
| Furniture, Fixtures and Equipment | 5 Years |

Pursuant to the Florida Statutes, any capital assets purchased with funds provided by the District would revert to the District upon termination of the charter. Management maintains records of such purchases. During the period from inception (November 4, 2003) through June 30, 2006, \$80,710 of capital assets was purchased with capital outlay funds and \$3,783 of capital assets was purchased with FTE funds.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Sources

Revenues for operations are received primarily from the District pursuant to the funding provisions included in the DCSMS's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, DCSMS will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for DCSMS 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 DCSMS during the designated full-time equivalent student survey periods. In addition, DCSMS receives an annual allocation of capital outlay funds.

Use of Estimates

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

NOTE 2 – INCOME TAXES

DCSMS is an agency of Miami Shores Village, a Florida municipal corporation pursuant to Chapter 2, Article VI, Sections 2.90 et seq of the Village Code, and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

NOTE 3 – CONCENTRATION OF RISK FOR CASH HELD AT BANKS

As of June 30, 2006, the carrying amount of DCSMS's deposits was \$12,343 and the respective bank balance totaled \$15,514. These deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000.

NOTE 4 – CONTINGENCIES AND CONCENTRATIONS

DCSMS receives 72 % of its revenues from the District. These funds are subject to audit by the District and the State of Florida, the purpose of which is to ensure compliance with conditions precedent to funding. Any liability for reimbursement that may arise as a result of these audits are not reflected in the financial statements.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 5 – CHANGES IN CAPITAL ASSETS

The following schedule provides a summary of changes in capital assets for the period from inception (November 4, 2003) through June 30, 2006:

| | <u>Inception 11/4/03</u> | <u>Transferred 6/30/05</u> | <u>Additions</u> | <u>Disposal</u> | <u>Balance 6/30/06</u> |
|---|------------------------------|--------------------------------|-------------------|-------------------|----------------------------|
| Capital Assets: | | | | | |
| Improvement other than buildings | \$ | \$ 34,975 | \$ | \$(34,975) | \$ |
| Furniture, fixtures, and software | | 338,218 | 219,123 | | 557,341 |
| Building and fixed equipment | <u> </u> | <u>253,131</u> | <u>260,370</u> | <u> </u> | <u>513,501</u> |
| Total Capital Assets | | 626,324 | 479,493 | (34,975) | 1,070,842 |
| Less Accumulated Depreciation: | | | | | |
| Improvement other than buildings | | (13,063) | | 13,063 | |
| Furniture, fixtures and software | | (210,979) | (81,615) | | (292,594) |
| Building and fixed equipment | <u> </u> | <u> </u> | <u>(51,350)</u> | <u> </u> | <u>(51,350)</u> |
| Total Accumulated Depreciation | <u> </u> | <u>(224,042)</u> | <u>(132,965)</u> | <u>13,063</u> | <u>(343,944)</u> |
| Capital Assets | <u>\$ -</u> | <u>\$ 402,282</u> | <u>\$ 346,528</u> | <u>\$ 21,912</u> | <u>\$726,898</u> |

Depreciation expense for the period from inception (November 4, 2003) through June 30, 2006 was \$132,965.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 6 – RELATED PARTY TRANSACTIONS

Effective June 30, 2005, DCSMS received all of the operating assets and substantially all of the cash and operating liabilities of Miami Shores/Barry University “Connected Learning Community” (CLC), Inc. D/B/A Miami Shores/Barry University Charter School (CLC), an existing Charter School. The amounts transferred were; cash \$265,600, receivables \$4,454, book value of the fixed assets \$402,282, and liabilities \$92,636. Following this transfer and the granting by the District School Board of Miami-Dade County of a School Charter to DCSMS, CLC surrendered its charter to the District School Board of Miami-Dade County. DCSMS currently operates the combined middle and high school. DCSMS assumed responsibility for all CLC school records and each of the previous students at CLC matriculated to DCSMS. The fund balance of \$579,700 was transferred to DCSMS to assist in the opening of a newly constructed permanent school facility and is reflected in the financial statements as a contribution from CLC.

DCSMS’s newly constructed building and facilities are located on land owned by Barry University, Inc., which leases the property to Miami Shores Village (MSV) under a “Ground Lease Agreement” which expires March 31, 2019. Under the terms of the “Ground Lease Agreement”, MSV owns a fee simple interest in all improvements made on the property which include the newly erected building and facilities. DCSMS subleases the real property and improvements (collectively the “Premises”), from MSV under the “Charter School Sublease Agreement” which expires August 7, 2020, with base rent (subject to annual adjustment beginning with the sixth year) of \$180,000 per annum, payable annually in arrears on the last day of each school year during the term of the lease. At June 30, 2006, \$180,000 was payable to MSV representing the first year’s rent.

MSV received support for the construction of the building and facilities from North Dade Medical Foundation, Inc. (NDMF) in the form of a \$5,000,000 grant. Under a grant agreement between NDMF and MSV, a portion of those funds is to be used to supplement the annual operating income of the charter school operations. Consequently, during the period from inception (November 4, 2003) through June 30, 2006, DCSMS received \$360,000 from MSV pursuant to the grant agreement. In addition, MSV made non-interest bearing advances to DCSMS in the amount of \$175,000 with no specific repayment terms.

Pursuant to the School charter agreement with the District, DCSMS pays a management fee of 5% of qualifying revenues to the District. During the period from inception (November 4, 2003) through June 30, 2006, fees paid to the District totaled \$118,427. At June 30, 2006, DCSMS had a payable to the District in the amount of \$21,879, which was assumed from CLC as a result of the transaction noted above involving the transfer of operating assets and liabilities from CLC to DCSMS. The payable represents amount due for services performed by employees of the District during the operation of CLC.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A DOCTORS CHARTER SCHOOL OF MIAMI SHORES
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2006**

NOTE 7 – RECONCILIATION OF THE GOVERNMENT-WIDE AND THE FUND FINANCIAL STATEMENTS

Because these financial statements cover the period from inception (November 4, 2003) through June 30, 2006, the change in fund balance is equal to the ending fund balance and the change in net assets is equal to the ending net assets. Therefore, the following serves as both a reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets and the Statement of Revenues, Expenditures and Changes in Fund Balance of the governmental funds to the Statement of Activities:

| | |
|--|-------------|
| Change in/ending Fund Balance – Governmental Funds | \$(235,299) |
|--|-------------|

Amounts reported for governmental activities in the statement of activities are different because:

| | |
|--|---------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, such costs are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation and loss on disposition expense in the year. | 324,616 |
|--|---------|

| | |
|---|-----------|
| The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. | (175,000) |
|---|-----------|

| | |
|---|----------------|
| DCSMS received a contribution of assets and liabilities from CLC during the year (See Note 6). This is the amount of capital assets contributed, which are reported in the statement of activities, but not reported in the government funds since capital assets have already been recorded as expenditures by CLC | <u>402,282</u> |
|---|----------------|

| | |
|---|------------------|
| Change in/ending Net Assets – Governmental Activities | <u>\$316,599</u> |
|---|------------------|

NOTE 8 – COMMITMENTS

DCSMS has elected to participate in a Group Retirement Annuity Trust (the “Plan”) to provide retirement savings and incidental benefits for its employees. Employees may contribute a percentage of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. DCSMS will contribute 5% of the employee’s base salary and will match an additional 4% if the employee contributes 5% for a total potential match of 9%. As of June 30, 2006, DCSMS incurred \$89,714 in contribution costs related to the Plan.

**MIAMI SHORES VILLAGE CHARTER SCHOOL AUTHORITY
D/B/A/ DOCTORS CHARTER SCHOOL OF MIAMI SHORES**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -BUDGET AND ACTUAL
FOR THE PERIOD FROM INCEPTION (NOVEMBER 4, 2003) THROUGH JUNE 30, 2006**

| | Governmental Fund | | | Variance Final Budget Pos/(Neg) |
|---|---------------------|---------------------|---------------------|---------------------------------------|
| | Original Budget | Final Budget | Actual | Actual |
| Capital Outlay Funding | \$ 275,000 | \$ 297,571 | \$ 47,048 | \$ (250,523) |
| State Sources | 2,420,929 | 2,364,929 | 2,385,378 | 20,449 |
| Local Sources | 735,000 | 745,000 | 887,668 | 142,668 |
| Fundraising | - | - | 36,879 | 36,879 |
| Interest | - | - | 5,126 | 5,126 |
| Other Revenue | - | - | 4,954 | 4,954 |
| Total Revenues | <u>\$ 3,430,929</u> | <u>\$ 3,407,500</u> | <u>\$ 3,367,053</u> | <u>\$ (40,447)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | \$ 2,602,172 | \$ 2,326,018 | \$ 2,120,860 | \$ 205,158 |
| Instructional and curriculum development | 108,445 | 155,445 | 154,919 | 526 |
| Instructional staff training services | 3,500 | 3,500 | 1,601 | 1,899 |
| General administration | 222,632 | 225,632 | 266,042 | (40,410) |
| School administration | 101,813 | 125,038 | 350,933 | (225,895) |
| Fiscal services | 171,817 | 195,317 | 212,524 | (17,207) |
| Central services | 81,000 | 78,000 | 70,667 | 7,333 |
| Pupil transportation services | 5,000 | 35,000 | 46,009 | (11,009) |
| Community services | 800 | 800 | 4,035 | (3,235) |
| Maintenance of plant | 112,750 | 91,750 | 72,687 | |
| Capital outlay: | | | | |
| Other capital outlay | 21,000 | 171,000 | 479,493 | (308,493) |
| Total Expenditures | <u>3,430,929</u> | <u>3,407,500</u> | <u>3,779,770</u> | <u>(372,270)</u> |
| Excess (Deficit) of Revenues Over Expenditures | - | - | (412,717) | (412,717) |
| SPECIAL ITEM | | | | |
| Contribution to Doctors' Charter School | - | - | 177,418 | 177,418 |
| Net change in fund balance | - | - | (235,299) | (235,299) |
| Fund Balance at beginning of year | - | - | - | - |
| Fund Balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (235,299)</u> | <u>\$ (235,299)</u> |

OTHER REPORTS

**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**

Board of Directors
Miami Shores Village Charter School Authority
D/B/A Doctors Charter School of Miami Shores
Miami Shores, Florida

We have audited the financial statements of Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores, (the "School") as of, and for the period from inception (November 4, 2003) through June 30, 2006 and have issued our report thereon dated August 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the DCSMS's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters that we reported to management of DCSMS in a separate management letter which is included in this reporting package.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether DCSMS's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Finding

Section VIII - Human Resources, paragraph 11 of DCSMS's Standard Charter School Contractual Agreement with The School Board of Miami-Dade County stipulate that "The School agrees to conduct general drug screening on all applicants for instructional and non-instructional positions with the School". Our testing disclosed two instructional personnel out of a test sample of fifteen did not have evidence of a drug screening.

Management response

The two subject individuals were requested to take a general drug screening scheduled for September 11, 2006. Management will review all remaining personnel files and request the same for any other personnel not having taken the general drug screening.

This report is intended solely for the information and use of the audit committee, management and regulatory bodies. However, this report is a matter of public record and its distribution is not limited.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 21, 2006

MANAGEMENT LETTER

Board of Directors of
Miami Shores Village Charter School Authority
D/B/A Doctors Charter School of Miami Shores
Miami Shores, Florida

This letter is written in connection with our audit of the basic financial statements of Miami Shores Village Charter School Authority D/B/A Doctors Charter School of Miami Shores, (DCSMS) as of and for the period from inception (November 4, 2003) through June 30, 2006. The purpose for this letter is to communicate to you any comments and recommendations, and to comply with the requirements of Chapter 10.850 Rules of the Auditor General, Charter School Audits which requires that this report specifically address but not limit to the matters outlined in Rule 10.854(i)(d).

The following statements relate to requirements of the Auditor General:

1. There were no inaccuracies, irregularities, shortages, defalcations and/or violations of laws, rules, regulations or contractual provisions reported for the preceding audit.
2. There were no prior year findings or recommendations.
3. There following are recommendations to improve DCSMS's present financial management, accounting procedures and internal controls.

FUNDRAISING

Observation

Fundraising dollars were commingled with DCSMS's general fund making it difficult to determine that the use of these funds were in accordance with their designated purpose.

Recommendation

DCSMS should deposit all fundraising dollars into a bank account separate from the school's general funds. The fund general ledger account should be reconciled to the bank balance on a monthly basis.

Management's response

In response to the observation regarding fundraising dollars that were commingled with Doctors Charters School of Miami Shores' general fund, a motion passed by the Finance Committee on August 31, 2006 stated that, "Any donor designated funds received by the school shall be deposited in an existing separate bank account." The fund's general ledger will be reconciled to the bank balance on a monthly basis.

AUDIT DEADLINE

Observation

DCSMS's audited financial statements were not submitted by September 1, 2006, which is the contractually required deadline under the Standard Charter School Contractual Agreement with The School Board of Miami-Dade County.

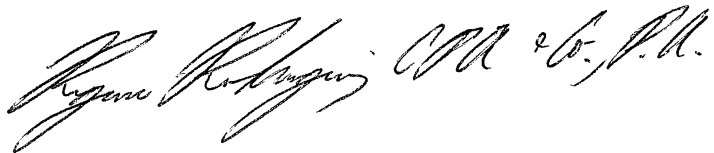
Recommendation

Management should coordinate a planning meeting with the external auditors prior to year-end to identify any potential issues that may require management assistance.

Management's response

Because this was the first reporting period for the School, there were certain issues that caused unexpected delays in the audit process. These issues are considered non-recurring and should not impact the issuance of future audits. Notwithstanding such, management will coordinate a planning meeting with the external auditors prior to year-end.

4. There were no violations of laws, rules, regulations or contractual provisions discovered during our audit.
5. There were no illegal or improper expenditures discovered during our audit, relating to improper or inadequate accounting procedures, improperly recorded transactions, fraud or other reportable conditions.

A handwritten signature in black ink, appearing to read "Raymond Rodriguez, CPA & Co., P.A.", is written over the printed name of the firm.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 21, 2006

Appendix N

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.
- N/A 4. If the school is operated by a management company: *None*
 - 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. *First 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).
 - N/A 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 Regino Rodriguez CPA & Company, P.A.
CPA's Address 201 Alhambra Circle, Suite 901 - Coral Gables, FL
License No. AD64400 Status Current 33134
Expiration Date December 31, 2007

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.