

OXFORD ACADEMY OF MIAMI, INC.

COMPONENT UNIT
FINANCIAL STATEMENTS

JUNE 30, 2006

MANAGEMENT AND
STOCKHOLDERS
2006 SEP 13 PM 2:01

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AND MANAGEMENT
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OXFORD ACADEMY OF MIAMI, INC.

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying component unit basic financial statements of governmental activities and each major fund of Oxford Academy of Miami, Inc. ("Academy") a component unit of The School Board of Miami-Dade County, Florida as of and for the year ended June 30, 2006, which collectively comprise the Academy's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 component unit financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

The management's discussion and analysis and the budgetary comparison information on pages 2 through 5 and page 12, are not required parts of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires 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.

In accordance with Government Auditing Standards, we have also issued a report dated August 25, 2006, on our consideration of the Academy's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads "Millward & Co".

Millward & Co. CPAs
Fort Lauderdale, Florida
August 25, 2006



OXFORD ACADEMY OF MIAMI, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006

Oxford Academy of Miami, Inc. ("Academy") is a public charter school operated in Miami-Dade County, FL, under the sponsorship of the School Board of Miami-Dade County, Florida.

Within this section of the Academy's annual financial report, the Academy's management provides narrative discussion and analysis of the financial activities of the Academy for the fiscal year ended June 30, 2006. This discussion is provided within the context of the accompanying financial statements. The discussion includes the entire Academy operations. There are no proprietary funds, no fiduciary funds and no component units.

Overview of the Financial Statements

The Management's Discussion and Analysis introduces the Academy's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Academy also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Academy's annual report includes two government wide financial statements. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting. This includes financial statements prepared on a full accrual accounting, and notes to the financial statements.

The first financial statement is the *Statement of Net Assets* that includes all of the Academy's assets and liabilities, with the difference reported as net assets.

The second financial statement is the *Statement of Activities* that includes all current year revenue and expenses. It explains how the Academy's net assets changed during the fiscal year.

The accompanying notes to the financial statements provide information essential to a full understanding of the financial statements.

Both government-wide financial statements distinguish governmental activities of the Academy that are principally supported by intergovernmental revenues, such as grants.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Academy uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Academy's most significant funds.

Governmental Fund

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Academy's governmental fund. These are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

OXFORD ACADEMY OF MIAMI, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006

Financial Analysis of the Academy

The Academy's liabilities exceed its assets by \$52,371, net deficit for fiscal year reported.

The Academy started its operation in August 2005 and 104 students were enrolled in kindergarten to fifth grade in 2005-2006.

Primarily all of the Academy's revenues is received through the sponsor and generally was provided by the State of Florida. The revenue per student each year is determined by the State of Florida and paid to the Academy based upon the student counts on certain dates in October and February of the fiscal year.

FEFP and other revenue from School Board Miami-Dade County, Florida, were based upon the number of students in the current fiscal year.

The summary of the Academy government-wide statement of net assets is as follows:

Condensed Statement of Net Assets		
Governmental Activities		
June 30, 2006		
	2006	% to Total
Current and Other Assets	\$ 42,419	100%
Total Assets	42,419	100%
Current Liabilities	54,690	58%
Note Payable	40,100	42%
Total Liabilities	94,790	100%
Net Assets (Deficit)		
Unrestricted	(52,371)	100%
Total Net Assets (Deficit)	\$ (52,371)	100%

OXFORD ACADEMY OF MIAMI, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006

Condensed Statement of Activities
For the years 2006

	2006	% to Total
Program Revenues:		
Operating grants	314,611	35%
Charge for Services	3,371	-
General Revenues:		
FEFP Fees	573,416	63%
Florida Teachers' Lead Program	800	-
Contribution	5,000	-
Other	13,508	2%
Total Revenues	910,706	100%
Function/Program Expenses:		
Instructional services	393,822	43%
Instructional support services	13,528	1%
Board Administration	129,001	14%
School Administration	109,846	12%
Facilities acquisition	197,401	21%
Fiscal services	27,184	3%
Food Services	16,553	2%
Operation Plant	29,348	3%
Maintenance of Plant	12,407	1%
Community services	1,335	-
Total Expenses	930,425	100%
Change in net assets	(19,719)	-
Beginning Net Assets (Deficit)	(32,652)	-
Ending Net Assets (Deficit)	\$ (52,371)	-

Proprietary Funds

Proprietary funds are reported in the fund financial statements and generally report services for which the Academy charges a fee. For fiscal year ended June 30, 2006, the Academy did not have any proprietary funds.

FINANCIAL ANALYSIS OF THE MAJOR FUNDS

GOVERNMENTAL FUNDS

GENERAL FUND

The general fund is the operating fund. It recognized \$910,705 in revenues and \$40,100 proceeds from a note offset with \$955,561 of expenditures. This resulted in an excess of revenues over expenditures. Fund deficit at the beginning of the year was \$7,516 and when combined with the current year resulted in an end of year fund deficit of \$12,271.

OXFORD ACADEMY OF MIAMI, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2006

Request for Information

This financial report is designated to provide a general overview of Academy's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the School Financial Services, Inc., P. O. Box 130, Bonifay, FL 32425.

OXFORD ACADEMY OF MIAMI, INC.
STATEMENT OF NET ASSETS
June 30, 2006

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 3,558
Grant Receivable	14,611
Prepaid expenses	<u>24,250</u>
Total Assets	<u>42,419</u>
LIABILITIES	
Accounts Payable	54,690
Note Payable	<u>40,100</u>
Total Liabilities	<u>94,790</u>
NET ASSETS	
Unrestricted (Deficit)	<u>(52,371)</u>
TOTAL NET ASSETS (DEFICIT)	<u>\$ (52,371)</u>

The accompanying notes are an integral part of these financial statements

OXFORD ACADEMY OF MIAMI, INC.
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Program Activities	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grant and Contributions	Governmental Activities	Total
Governmental Activities:				\$	\$
Instructional Services	\$ 393,822	-	\$ 314,611	(79,211)	(79,211)
Instructional Support Services	13,528	-	-	(13,528)	(13,528)
Board Administration	129,001	-	-	(129,001)	(129,001)
School Administration	109,846	-	-	(109,846)	(109,846)
Facilities Administration	197,401	-	-	(197,401)	(197,401)
Fiscal Services	27,184	-	-	(27,184)	(27,184)
Food Services	16,553	3,371	-	(13,182)	(13,182)
Operation of Plant	29,348	-	-	(29,348)	(29,348)
Maintenance Services	12,407	-	-	(12,407)	(12,407)
Community Services	1,335	-	-	(1,335)	(1,335)
	\$ 930,425	\$ 3,371	\$ 314,611	(612,443)	(612,443)
Total Governmental Activities					
General Revenues:				573,416	573,416
FEFP Fees				800	800
Rent				5,000	5,000
Contribution				13,508	13,508
Other				592,724	592,724
Total General Revenues				(19,719)	(19,719)
Change in Net Assets				(32,652)	(32,652)
Net (Deficit) - Beginning				\$ (52,371)	\$ (52,371)
Net (Deficit) - Ending				\$ (52,371)	\$ (52,371)

The accompanying note are an integral part of these financial statements

OXFORD ACADEMY OF MIAMI, INC.
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUND TO THE
STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Total Fund Balance - Total Governmental Fund	\$ (12,271)
Note Payable is not due in the current period, therefore is not reported	<u>(40,100)</u>
Net (Deficit) of Governmental Activities	<u>\$ (52,371)</u>

The accompanying notes are an integral part of these financial statements

OXFORD ACADEMY OF MIAMI, INC.
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2006

	General Fund
ASSETS	
Cash	\$ 3,558
Grant Receivable	14,611
Prepaid expenses	24,250
Total Current Assets	\$ 42,419
 LIABILITIES	
Accounts payable	\$ 54,690
Total Current Liabilities	54,690
 FUND EQUITY	
Unreserved (Deficit)	(12,271)
TOTAL FUND (DEFICIT)	(12,271)
TOTAL FUND LIABILITIES AND FUND (DEFICIT)	\$ 42,419

The accompanying notes are an integral part of these financial statements

OXFORD ACADEMY OF MIAMI, INC.
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>General Fund</u>
Revenues	
FEFP Fees	\$ 573,416
Operating Grants	314,611
Florida Teacher's Lead Program	800
Contribution	5,000
Charge for Services	3,371
Other	<u>13,508</u>
 Total Revenues	 <u>910,706</u>
Expenditures	
Instructional services	393,822
Instructional Support Services	13,528
Board Administration	129,001
School Administration	109,846
Facilities Administration	197,401
Fiscal Services	27,184
Food Services	16,553
Operation of Plant	29,348
Maintenance Services	12,407
Community Services	1,335
Loan Payment	<u>25,136</u>
 Total Expenditures	 <u>955,561</u>
 Deficiency of revenues over expenses	 (44,855)
Other Financing Sources:	
Note Proceeds	<u>40,100</u>
 Net Change in Fund Balance	 (4,755)
 Fund Deficit - July 1, 2005	 <u>(7,516)</u>
 Fund Deficit - June 30, 2006	 <u>\$ (12,271)</u>

The accompanying notes are an integral part of these financial statements

OXFORD ACADEMY OF MIAMI, INC.
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL
FUND TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Net change in fund Deficit - total governmental fund	\$ (44,855)
Repayment of principal of the note is an expenditures in the governmental fund, but the repayment reduce long- term liabilities in the statement of the net assets.	<u>25,136</u>
Change in Net Assets	<u>\$ (19,719)</u>

The accompanying notes are an integral part of these financial statements

OXFORD ACADEMY OF MIAMI, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	BUDGET Original/ Final	ACTUAL	VARIANCE Positive (Negative)
Revenues:			
FEFP Fees	\$ 946,094	\$ 573,416	\$ (372,678)
Operating Grants	372,800	314,611	(58,189)
Florida Teacher's Lead Program	-	800	800
Contribution	-	5,000	5,000
Charge for Services	-	3,371	3,371
Other	-	13,508	13,508
	<u>1,318,894</u>	<u>910,706</u>	<u>(408,188)</u>
Expenditures:			
Instructional services	583,819	393,822	189,997
Instructional Support Services	7,680	13,528	(5,848)
Instructional and Curriculum Services	5,000	-	5,000
Instructional Staff Training Services	11,500	-	11,500
Board Administration	126,037	129,001	(2,964)
School Administration	138,864	109,846	29,018
Facilities Administration	198,000	197,401	599
Fiscal Services	49,552	27,184	22,368
Food Services	38,913	16,553	22,360
Operation of Plant	9,000	29,348	(20,348)
Maintenance Services	-	12,407	(12,407)
Transportation	40,000	-	40,000
Community Services	-	1,335	(1,335)
Loan Payment	-	25,136	(25,136)
	<u>1,208,365</u>	<u>955,561</u>	<u>252,804</u>
Excess (Deficiency) of Revenue over Expenses	<u>110,529</u>	<u>(44,855)</u>	<u>(155,384)</u>
Other Financing Sources:			
Note Proceeds	-	40,100	40,100
Net Change in Fund Balance	<u>\$ 110,529</u>	<u>(4,755)</u>	<u>\$ (115,284)</u>
Fund Deficit - Beginning of year		<u>(7,516)</u>	
Fund Deficit - June 30, 2006		<u>\$ (12,271)</u>	

The accompanying notes are an integral part of these financial statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

The financial reporting entity consists of the following:

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

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

2. Government-Wide and Financial Statements

Government-wide Financial Statements

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

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

Fund Financial Statements

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

3. Measure Focus, Basis of Accounting and Financial Statement Presentation

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

OXFORD ACADEMY OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measure Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

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

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

4. Major Fund

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

5. Capital Assets, Depreciation and Amortization

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

The Academy generally capitalizes assets with cost of \$750 or more as outlay occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extends the useful lives are expensed. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operation. For the year ended June 30, 2006, the Academy did not have any capital assets.

6. Budgetary

Budget to actual comparison are reflected in the accompanying financial statements for general fund type which the Academy has adopted for its operations. The Academy adopts its budget on basis consistent with GAAP.

7. Use of Estimates

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

OXFORD ACADEMY OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

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

The Academy has an agreement with the School Board of Miami-Dade County, Florida, to operate a Charter Academy. The Academy receives funding from the School Board of Miami-Dade County, Florida, based on the projected number of full time equivalent (FTE) students. The term of the contract is for five years ending June 30, 2010, with an option to review for an additional fifteen years. The number of students attending the school for the year ending June 30, 2006, was 104.

NOTE C – CONTINGENCIES

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

NOTE D – RISK MANAGEMENT

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

NOTE E – REALTED PARTY TRANACTION

1- Operating Lease

The Academy leases it’s administrative and classroom space under operating leases expires on July 31, 2010, with an option of renewal additional five years from a company which owns by the president of Academy. The rent will increase about 3% to 5% per annum and the rental expense was \$195,574 for the year ended June 30, 2006.

The Academy’s charter prohibits conducting any business arrangement with a member of the board of directors. The former president has resigned from board of directors. The ultimate outcome of this matter is unknown.

Future minimum lease payments are as follows:

<u>June 30</u>	
2007	\$ 196,560
2008	204,422
2009	212,600
2010	<u>221,103</u>
Total	<u>\$ 834,685</u>

OXFORD ACADEMY OF MIAMI, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE E – REALTED PARTY TRANACTION (Continued)

2- Note Payable

On June 1, 2006, the Academy borrowed amount of \$40,100 from its president for financing the Academy's operation. The note is due on demand and it is interest free.

NOTE F – OTHER INFORMATION

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

Maureen Samaroo	President
Shannon Waenack	Secretary
Nicole Byrd	Treasurer
Gary Patrick	Board member
Mabel Mooney	Board member

In March 2004, the Academy entered into a contract with a third party for professional services. The School Financial Services, Inc. agreed to provide various financial and accounting services for Academy. The School Financial Services, Inc., located at 32425 Highway 90 East, Bonifay, FL 32425, and the company president is Gary B. Scott. The contract can be cancelled by either party with 30 days advance notice and it was expired on June 30, 2006. The professional fee for the year ending June 30, 2006 was \$16,342.

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

CPA's Name:	Millward & Co., CPAs
CPA's Address:	100 NE Third Avenue, Suite# 300 Fort Lauderdale, Florida 33301
License No:	1143963
Status:	Current
Expiration Date:	December 31, 2006

NOTE G – DEFICIT FUND BALANCE

At June 30, 2006, the general fund had a deficit balance of \$12,271. The deficit was caused by fees that fell short of the budget. The deficit will be covered by budget adjustment.



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

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

We have audited the component unit basic financial statements of the governmental activities and each major fund of Oxford Academy of Miami, Inc. (the "Academy") as of and for the year ended June 30, 2006, which collectively comprise the Academy basic financial statements and have issued our report thereon dated August 25, 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 Academy'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 that might be material weaknesses. A material weakness is a reportable 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.

Compliance and Other Matters

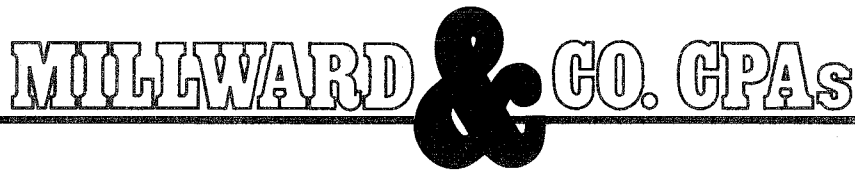
As part of obtaining reasonable assurance about whether Academy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreement, noncompliance with which could have a direct and material effect 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* and which described in appendix A

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

A handwritten signature in cursive script, appearing to read "Millward & Co.", is written over a faint, larger version of the company name.

Millward & Co. CPAs
Ft. Lauderdale, Florida
August 25, 2006





MANAGEMENT LETTER

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

We have audited the financial statements of Oxford Academy of Miami, Inc. ("Academy") as of and for the fiscal year ended June 30, 2006, and have issued our report thereon dated August 25, 2006.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditors' Report on Compliance and on Internal Control over financial Reporting based on the audit of the financial statements performed in accordance with *Government Auditing Standards*, dated August 25, 2006, and it should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554(1)(h)1.) require that we address in the management letter, if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs, whether or not recommendations made in the preceding annual financial audit report have been followed. There were no recommendations made in the preceding audit report.

As required by the Rules of the Auditor General (Section 10.554(1)(h)2.), the scope of our audit included a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.544(1)(h)3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such findings.

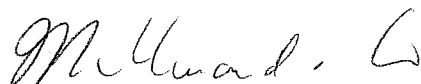
The Rules of the Auditor General (Section 10.554(1)(h)4.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs and are not clearly in consequential: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of the auditor. There are no items requiring disclosure.



As required by the Rules of the Auditor General (Section 10.554(1)(h)6.a), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Sections 10.554(h)6.c. and 10.556(7)), we applied financial assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

A handwritten signature in cursive script, appearing to read "Millward & Co.", followed by a stylized flourish.

Millward & Co. CPAs
Fort Lauderdale, Florida
August 25, 2006



OXFORD ACADEMY OF MIAMI, INC.
JUNE 30, 2006

Appendix A

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

In planning and performing our audit of the financial statements of Oxford Academy of Miami, Inc. for the year ended June 30, 2006 we considered the Academy's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. We previously reported on the Academy's internal control in our report dated August 25, 2006. This letter does not affect our report dated August 25, 2006, on the financial statements of Oxford Academy of Miami, Inc.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with Academy personnel, and we will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Finding

The Academy's contract with the School Board Miami-Dade County prohibits any business arrangement with the Board of Directors. During our audit, we noted that the Academy leased the school from a company which owned by the president of organization and paid \$195,574 for rent. This transaction caused a breach of contract.

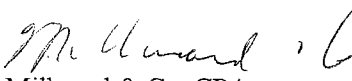
Recommendation

We recommend that the Academy cure the breach of the contract and establish procedures to ensure further compliance.

Management Response

Due to lack of knowledge and advisement, the board member was not aware of this provision in the contract. Upon becoming aware of this provision with Charter contract, the board member resigned immediately.

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


Millward & Co. CPAs
Fort Lauderdale, Florida
August 25, 2006

