



# AVENTURA CHARTER ELEMENTARY SCHOOL

*A Blended Component Unit  
of the City of Aventura, Florida*



## Special Purpose Financial Statements For the Fiscal Year Ended June 30, 2003





AVENTURA CHARTER ELEMENTARY SCHOOL  
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Commissioner Zev Auerbach  
Commissioner Jay R. Beskin  
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Principal  
Katherine Bray Murphy, Ph.D.

Assistant Principal  
Julie Renee Alm

Administrative and Management Service Provided by:  
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6245 N. Federal Highway, Fifth Floor  
Fort Lauderdale, FL 33308  
Jonathan K. Hage,  
President and Chief Executive Officer

Report Prepared by:  
The Finance Support Services Department of the City of Aventura

**AVENTURA CHARTER  
ELEMENTARY SCHOOL**  
(A Blended Component Unit of  
the City of Aventura, Florida)

**FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION**  
For the Initial Year Ended June 30, 2003

AVENTURA CHARTER ELEMENTARY SCHOOL  
FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION  
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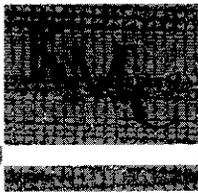
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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Aventura Charter Elementary School  
Miami, Florida

We have audited the accompanying financial statements of Aventura Charter Elementary School (a blended component unit of the City of Aventura, Florida) as of and for the initial year ended June 30, 2003, as listed in the table of contents. These financial statements are the responsibility of Aventura Charter Elementary School'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 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 significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aventura Charter Elementary School as of June 30, 2003, and for the initial year 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 7, 2003, on our consideration of Aventura Charter Elementary School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

*Aventura Charter Elementary School*

The management's discussion and analysis and budgetary comparison information on pages 3 through 5 and 14, respectively, 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 supplementary information. However, we did not audit the information and express no opinion on it.

*Keefe, McCullough & Co., LLP*  
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
August 7, 2003

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**AVENTURA CHARTER ELEMENTARY SCHOOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Initial Year Ended June 30, 2003

Our discussion and analysis of Aventura Charter Elementary School's (the School) financial performance provides an overview of the School's financial activities for the initial fiscal year ended June 30, 2003. Please read it in conjunction with the School's financial statements which immediately follow this discussion.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

Government-wide financial statements

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

The statement of net assets presents information on all the School'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 the School is improving or deteriorating.

The statement of activities presents information showing how the School's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to 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 6-7 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. The School only has one category of funds - 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 balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities, if applicable.

The governmental fund financial statements can be found on pages 8-9 of this report.

**AVENTURA CHARTER ELEMENTARY SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Initial Year Ended June 30, 2003**

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 10-13 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School's adopted budget to actual results. Required supplementary information can be found on page 14 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statement of net assets. Since this is the initial period of the School operations, there is no audited previous year comparable data available. A comparative analysis of government-wide data will be presented in future years when the information is available.

<u>Aventura Charter Elementary School</u>	
Current assets	\$ <u>241,950</u>
Total assets	\$ <u><u>241,950</u></u>
Liabilities	\$ 97,456
Net assets:	
Unrestricted	<u>144,494</u>
Total liabilities and net assets	\$ <u><u>241,950</u></u>

Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2003, the School had no restricted assets. The remaining unrestricted balance may be used to meet the School's ongoing obligations.

Aventura Charter Elementary School's Change in Net Assets

Revenues:	
Program revenues	
Operating grants and contributions	\$ <u>71,819</u>
	<u>71,819</u>
Expenses:	
Administration	66,073
Operations of plant	<u>60,746</u>
Total governmental activities	<u>126,819</u>
Change in Net Assets before transfers	(55,000)
Transfers from:	
General Fund	89,494
Capital Fund	<u>110,000</u>
	<u>199,494</u>
Change in Net Assets	<u>144,494</u>
Net Assets, July 1, 2002	--
Net Assets, June 30, 2003	\$ <u><u>144,494</u></u>

**AVENTURA CHARTER ELEMENTARY SCHOOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Initial Year Ended June 30, 2003

**FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS**

As noted earlier, the School uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

As of the end of the year 2003, the School's governmental funds reported ending fund balance of \$ 144,494. The total fund balance is unreserved and is available for spending at the School's discretion.

The General Fund is the main operating fund of the School. At the end of fiscal year 2003, unreserved fund balance of the General Fund was \$ 144,494. This balance is a result of transfers from the City of Aventura that have not been used as of June 30, 2003. These funds will be used for the School's operations in the following fiscal year.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and final amended budget resulted from decreases in nonoperating revenues, debt service - interest and capital outlay due to the creation of separate funds within the City of Aventura to account for transactions related to the financing and construction of the School facility.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The School had no investment in capital assets during the initial year ended June 30, 2003.

**ECONOMIC FACTORS**

Facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the School in fiscal year 2003/2004 include the following:

On April 11, 2003, the City announced the hiring of Dr. Katherine Bray Murphy as principal of Aventura Charter Elementary School. Dr. Murphy brought with her a wealth of education and experience which will allow the City to successfully open and operate the school.

The budget for the Aventura Charter Elementary School (ACES) for the fiscal year beginning July 1, 2003 and ending June 30, 2004 was adopted by the Board of Directors on June 3, 2003. Total projected revenues of \$ 3,746,976 were equal to the projected expenditures for the fiscal year. The 2003/04 budget includes 44 full-time and 17 part-time positions. All teaching positions and most other positions were filled prior to the opening of the School on August 25th.

The School is designed for 600 students in kindergarten through fifth grade. The number of applications for all grades, except the fifth, far exceeded available student slots. This required the use of a "lottery" program to select the students who would be enrolled in the School. School construction was completed in early August, 2003 allowing the School to open on schedule.

# FINANCIAL STATEMENTS

AVENTURA CHARTER ELEMENTARY SCHOOL  
STATEMENT OF NET ASSETS  
June 30, 2003

A S S E T S

CURRENT ASSETS:	
Pooled cash and cash equivalents	\$ <u>241,950</u>
Total current assets	241,950
NONCURRENT ASSETS	
Total assets	\$ <u>241,950</u>

L I A B I L I T I E S   A N D   N E T   A S S E T S

LIABILITIES:	
Accounts payable	\$ 14,854
Accrued expenses	4,421
Deferred revenue	<u>78,181</u>
Total liabilities	<u>97,456</u>
NET ASSETS:	
Unrestricted	<u>144,494</u>
Total net assets	<u>144,494</u>
Total liabilities and net assets	\$ <u>241,950</u>

The accompanying notes to financial statements are an integral part of these statements.

# AVENTURA CHARTER ELEMENTARY SCHOOL

## STATEMENT OF ACTIVITIES

For the Initial Year Ended June 30, 2003

	Program Revenues			Activities
Expenses	Charges for Services	Operating Grants and Contributions	Capital Outlay Funds	Net Revenue and Change in Net Assets
<b>FUNCTIONS/PROGRAMS:</b>				
Governmental activities:				
Administration	\$ 40,724	\$ --	\$ 71,819	\$ 31,095
Operations of plant	60,746	--	--	(60,746)
Facilities acquisition and construction	<u>25,349</u>	<u>--</u>	<u>--</u>	<u>(25,349)</u>
Total governmental activities	<u>\$ 126,819</u>	<u>\$ --</u>	<u>\$ 71,819</u>	<u>\$ (55,000)</u>
General revenues:				
Transfer from General Fund				89,494
Transfer from Capital Fund				<u>110,000</u>
Total general revenues				<u>199,494</u>
				Change in net assets 144,494
Net assets:				
				July 1, 2002 <u>          --          </u>
				June 30, 2003 <u>\$ 144,494</u>

The accompanying notes to financial statements are an integral part of these statements.

AVENTURA CHARTER ELEMENTARY SCHOOL  
BALANCE SHEET - GOVERNMENTAL FUND  
June 30, 2003

	<u>General Fund</u>
<b>A S S E T S</b>	
<b>ASSETS:</b>	
Pooled cash and cash equivalents	\$ <u>241,950</u>
Total assets	\$ <u><u>241,950</u></u>
<b>L I A B I L I T I E S   A N D   F U N D   B A L A N C E</b>	
<b>LIABILITIES:</b>	
Accounts payable	\$ 14,854
Accrued expenses	4,421
Deferred revenue	<u>78,181</u>
Total liabilities	<u>97,456</u>
 <b>FUND BALANCE:</b>	
Unreserved and undesignated	<u>144,494</u>
Total liabilities and fund balance	\$ <u><u>241,950</u></u>
Reconciliation of the governmental fund balance sheet to the statement of net assets:	
<b>GOVERNMENTAL FUND BALANCE</b>	\$ 144,494
There are reconciling amounts or items reported for governmental activities which are different in the statement of net assets	<u>    --</u>
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	\$ <u><u>144,494</u></u>

The accompanying notes to financial statements are an integral part of these statements.

**AVENTURA CHARTER ELEMENTARY SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE**  
**IN FUND BALANCE - GOVERNMENTAL FUND**  
 For the Initial Year Ended June 30, 2003

	<u>General Fund</u>
<b>REVENUES:</b>	
Federal sources	\$ 71,819
Local sources	<u>199,494</u>
Total revenues	<u>271,313</u>
 <b>EXPENDITURES:</b>	
Current -	
Operations of plant	60,746
Administration	40,724
Facilities acquisition and construction	<u>25,349</u>
Total expenditures	<u>126,819</u>
Excess revenues over expenditures	144,494
 FUND BALANCE, July 1, 2002	 <u>    --</u>
FUND BALANCE, June 30, 2003	\$ <u><u>144,494</u></u>
 NET INCREASE IN FUND BALANCE - GOVERNMENTAL FUND	 \$ 144,494
There are reconciling amounts or items reported for governmental activities which are different in the statement of activities	 <u>    --</u>
 CHANGE IN NET ASSETS ON THE STATEMENT OF ACTIVITIES	 \$ <u><u>144,494</u></u>

The accompanying notes to financial statements are an integral part of these statements.

AVENTURA CHARTER ELEMENTARY SCHOOL  
NOTES TO FINANCIAL STATEMENTS

June 30, 2003

NOTE 1 - ORGANIZATION AND OPERATIONS

Aventura Charter Elementary School (the School), is a blended component unit of the City of Aventura, Florida. The School commenced operations in August, 2003 in the City of Aventura and now offers classes for grades kindergarten through fifth.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity:

The School operates under a charter granted by the sponsoring school district, the Miami-Dade County Public School District. The current charter is effective until June 20, 2018. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. Aventura Charter Elementary School is considered a blended component unit of the City of Aventura.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable which would require inclusion in the School's financial statements.

Basis of presentation:

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (the Statement). Certain of the significant changes in the Statement include the following:

For the first time the financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the School's overall financial position and results of operations
- Financial statements are prepared using full accrual accounting for all of the School's activities.
- A change in the fund financial statements to focus on the major funds, if applicable.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The School has elected to implement the general provisions of the Statement this year.

AVENTURA CHARTER ELEMENTARY SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial statements - government-wide statements:

The School's financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major fund). Both the government-wide and fund financial statement categorize primary activities as either governmental or business type. All of the School's activities are classified as governmental activities.

In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations. The School's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. As of the initial year ended June 30, 2003, all of the School's net assets were classified as unrestricted.

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The net costs, by function, are also supported by general revenues. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column, if applicable, reflects capital-specific grants.

This government-wide focus is more on the ability to sustain the School as an entity and the change in the School's net assets resulting from the current year's activities.

Financial statements - fund financial statements:

The accounts of the School are organized on the basis of funds. The operations of the sole fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

The General Fund is employed in accounting for the financial activities of the School. It is a governmental fund type and is used to account for all financial transactions.

Measurement focus and basis of accounting:

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the governmental-wide statement uses the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within one year of the end of the current fiscal year.

AVENTURA CHARTER ELEMENTARY SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Encumbrances:

Encumbrances represent commitments relating to unperformed contracts for goods or services. At June 30, 2003, there were no encumbrances outstanding.

Grant and contract revenue:

Grant and contract revenue is recognized when the allowable costs as defined by the individual grant or contract are incurred. Monies received in advance for which no costs have been incurred are recorded as deferred revenue until allowable costs attributable to such monies are incurred.

Deposits and Investments

The School's cash and cash equivalents are maintained by the City in a pooled cash account for all funds. This enables the City to invest large amounts of idle cash for short periods of time and to optimize earnings potential. Cash and cash equivalents represents the amount owned by each fund of the City.

Cash and cash equivalents, which consist of cash and short-term investments with original maturities of three months or less when purchased, include cash on hand, demand deposits, and investments with the State Board of Administration Investment Pool.

Post retirement benefits

The School provides no post-retirement benefits to employees.

NOTE 3 - BUDGET

The School formally adopted a budget for the initial year ended June 30, 2003. The budget has been prepared in accordance with generally accepted accounting principles. A comparison of actual results of operations to the budgeted amounts for the General Fund is presented as required supplemental information.

NOTE 4 - DEPOSITS AND INVESTMENTS

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as cash and cash equivalents are deemed as insured or collateralized and are, therefore, not subject to classification by credit risk category under the provisions of GASB Statement No. 3. Deposits at June 30, 2003 were \$ 241,950.

# AVENTURA CHARTER ELEMENTARY SCHOOL

## NOTES TO FINANCIAL STATEMENTS

Ended June 30, 2003

### NOTE 5 - CONTINGENCIES AND COMMITMENTS

The City of Aventura has entered into a contract for administrative and management services for the operations of the School. The contract expires in June, 2008 and provides for a fee based on the revenues of the School in the following amounts:

<u>Year</u>	<u>Percentage of Revenues</u>
1	13%
2-3	11%
4-5	10%

The contract also provides for the subordination of the above fees based on the School's ability to pay operating and facility costs. The maximum subordinated fee percentages are as follows:

<u>Year</u>	<u>Subordination Percentage</u>
1-2	2%
3	3%
4-5	4%

Additionally, certain other revenues that are attributable to the efforts of the management company will be compensated at a rate of ten percent. Other incentive fees provided for by the contract are based on financial and education performance goals.

The School's operations are located at a facility that is owned by the City of Aventura. In September, 2002, the City entered into a bond indenture agreement with the Florida Intergovernmental Finance Commission through an interlocal governmental agreement. As a result, the City issued \$ 12,610,000 in Series 2002 Revenue bonds to finance the acquisition of land and construction of a charter school as well as the construction of a community center of which approximately \$ 6,651,100 related to the land and construction of the School facility. The School is committed to reimburse the annual debt service on the debt, including interest and principal, that is incurred by the City in the following amounts:

<u>Year ending</u> <u>June 30</u>	
2004	\$ 442,600
2005	\$ 441,500
2006	\$ 441,000
2007	\$ 442,400
2008	\$ 440,700
Thereafter	\$ 9,940,100

The School received financial assistance from Federal and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the School is not required to conduct a "single audit" since the required threshold of Federal money is currently \$ 300,000 and the School did not exceed such threshold.

REQUIRED SUPPLEMENTAL  
INFORMATION

AVENTURA CHARTER ELEMENTARY SCHOOL  
 BUDGETARY COMPARISON SCHEDULE  
 June 30, 2003

	BUDGETED AMOUNTS		ACTUAL AMOUNTS, BUDGETARY BASIS	BUDGET TO GAAP DIFFERENCES OVER (UNDER)	ACTUAL AMOUNTS GAAP BASIS
	ORIGINAL	FINAL			
<b>REVENUES:</b>					
Transfers in from City of Aventura Capital Projects Fund	\$ 199,494	\$ 199,494	\$ 199,494	\$ --	\$ 199,494
Grants	--	--	71,819	--	71,819
Nonoperating revenues	<u>6,440,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total revenues	<u>6,639,494</u>	<u>199,494</u>	<u>271,313</u>	<u>--</u>	<u>271,313</u>
<b>EXPENDITURES:</b>					
Salaries	45,657	45,657	25,907	--	25,907
Management services	112,000	112,000	81,599	--	81,599
Administrative	--	--	5,324	--	5,324
Social security	3,493	3,493	2,106	--	1,412
Employee insurance	2,681	2,681	1,412	--	1,412
Utilities	--	--	4,201	--	4,201
Pension expense	457	457	2,987	--	2,987
Insurance	1,000	1,000	--	--	--
Supplies	29,000	29,000	687	--	687
Workers compensation	206	206	181	--	181
Travel	--	--	1,200	--	1,200
Unemployment taxes	--	--	215	--	215
Advertising	5,000	5,000	1,000	--	1,000
Debt service - interest	440,000	--	--	--	--
Capital outlay	<u>6,000,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>6,639,494</u>	<u>199,494</u>	<u>126,819</u>	<u>--</u>	<u>126,819</u>
Excess of revenue over expenditures	--	--	144,494	--	144,494
FUND BALANCE, July 1, 2002	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCE, June 30, 2003	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 144,494</u>	<u>\$ --</u>	<u>\$ 144,494</u>

## OTHER AUDITORS' REPORTS



## KEEFE, McCULLOUGH & CO., LLP

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### INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors  
Aventura Charter Elementary School  
Aventura, Florida

We have audited the financial statements of Aventura Charter Elementary School, (a blended component unit of the City of Aventura, Florida) as of and for the initial year ended June 30, 2003, and have issued our report thereon dated August 7, 2003. 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.

#### Compliance

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

#### Internal Control over Financial Reporting

In planning and performing our audit, we considered Aventura Charter Elementary School'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 assurance 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 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.

Aventura Charter Elementary School

This report is intended solely for the information of School management, the Board of Directors and various other governmental agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Keefe, McCullough & Co., LLP*  
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
August 7, 2003



**KEEFE, McCULLOUGH & CO., LLP**  
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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS**

The Board of Directors  
Aventura Charter Elementary School  
Aventura, Florida

This letter is written in connection with our audit of the financial statements of Aventura Charter Elementary School, (a blended component unit of the City of Aventura School District) as of and for the initial year ended June 30, 2003. The purpose of 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 because this is the initial year of operations.
2. There were no recommendations made relating to the preceding audit because this is the initial year of operations.
3. There were no recommendations to improve the School's financial management or internal controls.
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.
6. There were no other matters requiring correction discovered during our audit, relating to improper or inadequate accounting procedures, improperly recorded transactions, fraud or other reportable conditions.
7. The Charter School is operated by the City which was created by Resolution No. R-1104-95 of the Miami-Dade County Commission on July 25, 1995.

Aventura Charter Elementary School

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 Miami-Dade County District School Board and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*Keefe, McCullough & Co., LLP*  
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
August 7, 2003

