

FAU – TREASURE COAST  
UNIVERSITY SCHOOLS, INC.

AGREED UPON PROCEDURES

JUNE 30, 2011



**Gerstle, Rosen & Goldenberg, P.A.**  
Certified Public Accountants

Mark R. Gerstle, C.P.A.

Robert N. Rosen, C.P.A.

Brian K. Goldenberg, Partner

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
FAU – Treasure Coast University Schools, Inc.

Dear Board Members:

We have performed certain procedures which were agreed to by FAU – Treasure Coast University Schools, Inc. This agreed upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the users of this report.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the financial statements of FAU – Treasure Coast University Schools, Inc. for the fiscal year ending June 30, 2011. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the specified procedures and does not extend to the financial statements of FAU – Treasure Coast University Schools, Inc. taken as a whole.

This report is intended solely for the information and use of the Board of Directors of FAU – Treasure Coast University Schools, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

*Gerstle, Rosen & Goldenberg, P.A.*

GERSTLE, ROSEN & GOLDENBERG, P.A.  
Certified Public Accountants  
Boca Raton, Florida

November 30, 2011

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# FAU – TREASURE COAST UNIVERSITY SCHOOLS, INC.

June 30, 2011

## **Executive Summary**

FAU – Treasure Coast University Schools, Inc. (TCUS) is a not-for-profit, non Stock Corporation organized pursuant to Chapter 1002.32 of the Florida Statutes. TCUS was formed to provide a vehicle for the conduct of research, demonstration, and evaluation regarding management, teaching, and learning.

We have been engaged by the TCUS to perform certain agreed upon procedures with regard to transactions that took place between Florida Atlantic University (FAU) and the St. Lucie County School Board (SLCSB) on behalf of TCUS.

## **Scope of Work**

1. Review TCUS's documents, policies and procedures and agreements as supporting documentation.
2. We performed agreed upon procedures to verify revenues and expenses of TCUS. These procedures included obtaining support for payments made by the Florida Department of Education to FAU, payments made by FAU to the St. Lucie County School Board (SLCSB), and payments made by SLCSB on behalf of TCUS in accordance with Florida Statutes and TCUS's documents. Our analysis and findings are as follows:

## **Analysis of Financials**

### **Revenues**

For the fiscal year ending June 30, 2011, the Florida Department of Education (FEFP Fourth Calculation) total State, Local, and Federal Funding for FAU – St. Lucie was \$9,362,785 (Exhibit IV). Our procedures tested 94% of these revenues from the Florida Department of Education (Exhibit I). We determined that revenues received were recorded appropriately.

### **FAU Disbursements**

FAU disbursed FEFP funds to SLCSB on behalf of TCUS in the amount of \$8,822,519 in addition to State Fiscal Stabilization Funds in the amount of \$463,924. An administrative fee in the amount of \$77,289 (based on 5% of the first 250 students) was retained by FAU in accordance with State of Florida guidelines for charter schools. The total of the preceding amounts is \$9,363,732 (Exhibit II) whereas the total funding was \$9,362,785 (Exhibit IV), a difference of \$947 (Exhibit II). This is considered a customary variance which could be related to enrollment changes, student reclassifications or other factors. We vouched 100% of the disbursements to invoices and we traced a sample of cash transfers to bank statements. We determined that FEFP disbursements were made and recorded appropriately.

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June 30, 2011

**Analysis of Financials (Continued)**

**SLCSB Expenditures on behalf of TCUS**

We selected eleven (11) expense accounts which comprise salary related expenditures, in addition to the expense account for “utilities” and the expense account for “schools discretionary” expenditures. We vouched samples of transactions to payroll reports and to vendor invoices, as well as reconciled transactions to the general ledger detail. In addition, the general ledger detail for utilities was examined to determine that twelve (12) months of payments were recorded in the account. No discrepancies were noted. In total, these thirteen (13) expense accounts represent \$7,008,268 of the \$8,477,250 in total fiscal year expenditures (Exhibit III). The supporting documentation substantiates that these SLCSB expenditures were for TCUS purposes.

**Findings and Recommendations**

Based on the preceding agreed upon procedures, the revenues and expenses for the twelve months ended June 30, 2011 were properly recorded.

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JUNE 30, 2011

EXHIBIT I

**FEFP Funding**

<u>Date</u>	<u>Amount</u>
7/9/2010	\$ 316,436
7/26/2010	432,026
8/10/2010	297,454
8/26/2010	432,026
9/10/2010	297,454
9/24/2010	432,026
10/8/2010	297,454
10/27/2010	432,026
11/10/2010	297,454
11/24/2010	432,026
12/10/2010	297,454
12/23/2010	501,446
1/11/2011	291,684
1/26/2011	418,999
2/10/2011	291,684
2/25/2011	430,605
3/10/2011	291,684
3/25/2011	431,819
4/8/2011	291,684
4/26/2011	431,548
5/10/2011	291,315
5/26/2011	431,548
6/13/2011	291,105
6/24/2011	<u>432,587</u>
Revenues Tested	<u>\$ 8,791,544</u>
DOE FEFP Calculation*	\$ 9,362,785
Revenues Tested as a Percentage of the DOE FEFP Calculation	94%

\* Total State, Local and Federal Funding

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EXHIBIT II

**FAU Payment to SLCSB  
FEFP Invoices**

Date Paid	Amount	Doc #
9/30/2010	\$ 750,060.20	0422500
9/30/2010	750,060.20	0422531
9/30/2010	750,060.20	0422506
1/18/2011	750,060.20	0439064
1/18/2011	750,060.20	0439063
2/3/2011	750,060.20	0441968
2/3/2011	643,675.36	0441810
6/17/2011	735,240.39	0462646
6/17/2011	739,060.14	0462640
6/17/2011	734,819.66	0462639
6/17/2011	734,819.66	0462637
6/30/2011	734,542.46	0467699
Subtotal	<u>8,822,518.87</u>	

**FAU Payment to SLCSB  
FEFP Invoices  
State Fiscal Stabilization Fund**

4/17/2011	454,843.00	0453941
4/17/2011	9,081.00	0453945
Subtotal	<u>463,924.00</u>	

**Admin Fee - 5% of first 250 students**

July	6,497.13
August	6,497.13
September	6,497.13
October	6,497.13
November	6,497.13
December	6,497.13
January	5,779.64
February	6,441.02
March	6,441.02
April	6,437.34
May	6,437.34
June	6,769.95
Subtotal	<u>77,289.09</u>
Total	9,363,731.96

**2010-2011 FEFP Fourth Calculation  
Total State, Local, and Federal Funding**

	<u>9,362,785.00</u>
Variance	<u>\$ (946.96)</u>

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EXHIBIT III

**SLCSB Actual Expenses**

Proj	Project	FYTD Activity
10000	Salaries	\$ 4,084,721
10050	FEFP-Reading Categorical	59,136
10100	Schools Discretionary	60,911
15000	School Recognition	108,475
15110	Class Size Red State Cat	1,633,644
22500	ESE-Speech/Language	145,348
46390	Title I ARRA-ESEA	(58,188)
46400	Title I Schoolwide 09/10	63,213
46410	Title I Schoolwide 10/11	487,337
48100	Idea Part B Entitlement 09/10	(58,089)
48110	Idea Part B Entitlement 10/11	200,782
48390	Idea Part B - ARRA	71,063
A5300	Utilities	209,915
	Subtotal	<u>7,008,268</u>
00000	Admin Fee	77,947
10010	Terminal Pay	35,745
15330	Teachers Lead	18,438
20720	Use of Facilities Rent Offset	9,482
21330	FCAT Delay Expenses	3,942
21420	Contract Admin Cost Allocation	479,251
21930	Audit Fees	850
40610	Education Jobs 10/11	304,534
41400	Title II Training/Recruit 10/11	39,240
48510	ARRA SFSSF Edu Fund 10/11	453,914
48610	ARRA SFSSF Gov Fund 10/11	9,063
90010	Reserve-Budget for ARRA SFSSF	(462,977)
90011	Reserve-Budget for EDUJOBS	(217,704)
93050	C/W Misc Renov/Maint	829
93090	C/W Electrical	559
93100	C/W IEQ	384
93120	C/W Plumbing	538
93130	C/W Energy Management Program	5,400
93170	C/W HVAC	1,036
93190	C/W Equipment	7,826
93210	Cap Trans for I&S	3,231
93230	C/W Safety	4,526
93240	Security Cameras/Equip	3,240
93300	C/W Alarms/Intercom/Access	300
A5100	Maintenance	1,215
A5700	Maintenance-Grounds/Lawns	450
B7800	Insurance/Unemployment	80,724
B8600	Maint Contracts/Repairs	9,607
B8700	Telephone	8,156
O1500	Discretionary Music	1,906
P2400	Instructional Materials	121,458
P2500	Fame (Categorical)	3,723
P5800	School Improvement	18,126
SA200	SAI-Flexibility	421,801
T5500	Schl Res Officers/Safe Schools	22,222
	Subtotal	<u>1,468,982</u>
	Total Expenses	<u>\$ 8,477,250</u>

2010-11 FEFP Fourth Calculation
Change in FTE and Funds Compared to the 2010-11 Third Calculation

Table with columns: District, K-12 Unweighted FTE Students (2010-11 Third, 2010-11 Fourth, Difference, Percentage Difference), K-12 Total Funding (2010-11 Third, 2010-11 Fourth, Difference, Percentage Difference). Rows include districts from 1 to 75 and a TOTAL row.