

# Harper, Van Scoik & company, LLP

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## MANAGEMENT LETTER

### **The Board of Directors Academie Da Vinci Charter School, Inc. Dunedin, Florida**

We have audited the accompanying financial statements of the governmental activities and each major fund of Academie Da Vinci Charter School, Inc. (the "School"), a component unit of the School Board of Pinellas County, as of and for the year ended June 30, 2007, and have issued our report thereon dated October 15, 2007.

We issued our report of internal controls over financial reporting and on compliance and other matters dated October 15, 2007. Disclosures in that report, if any, should be considered in conjunction with this management letter.

The discussion required by the rules of the Auditor General follows:

1. There were no significant findings and recommendations made in the preceding annual audit report.
2. In connection with our audit, we determined that the School did not meet the conditions described in Section 218.503(1), Florida Statutes.
3. Based on our professional judgment see the attached recommendations documenting matters that were inconsequential to the financial statements considering both quantitative and qualitative factors, including the following:
  - a. Violations of laws, rules, regulations, contracts, and grant agreements or abuse that: (1) have occurred, or are likely to have occurred; and (2) were discovered within the scope of the financial audit.
  - b. Deficiencies in internal control that are not clearly of inconsequential effect in relation to the financial statements and other recommendations to improve present financial management account procedures and internal controls.
4. The official title of the School is Academie Da Vinci Charter School, Inc.

This report is intended solely for the information and use of the School's management, Board of Directors, the School Board of Pinellas County, Florida, the State of Florida Auditor General, and other regulatory agencies of state governments and is not intended to be and should not be used by anyone other than these specified parties.

Clearwater, Florida  
October 15, 2007

*Harper, Van Scoik & Company, LLP*

## Current Year Findings

### 07-1 Employee fingerprinting

Criteria: Section 231.02(2)(a), Florida Statutes, provides that instructional and noninstructional personnel who are hired to fill positions requiring direct contact with students shall, upon employment, file a complete set of fingerprints taken by an authorized law enforcement officer or an employee of the school or district who is trained to take fingerprints.

Condition: Upon review of a sample of employee personnel files and subsequent communications to the School Board of Pinellas County, it was determined that neither the School nor the School Board of Pinellas County were in possession of documentation evidencing that three of the School's employees had filed a complete set of fingerprints.

Cause: The School's procedures include providing for evidence of employee fingerprinting to be maintained by the School Board of Pinellas County; however, the School Board of Pinellas County has represented to the School that it does not maintain fingerprinting records beyond one year.

Effect: The School is not in possession of documentation evidencing all of its employees were fingerprinted in accordance with Florida Statutes.

Auditor's Recommendation: We recommend that each of the School's employees' personnel file contain documentation evidencing the employee filed a complete set of fingerprints as required by Florida Statutes. For those employees for which such documentation is not maintained by the School or the School Board of Pinellas County, we recommend the School require those employees to file a current and complete set of fingerprints.

### 07-2 Basis of accounting of government-wide financial statements

Criteria: The School prepares its financial statements on the basis of cash receipts and disbursements, whereby certain revenues and the related assets are recognized when received, and expenses are recognized when paid.

Condition: In accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board, the government-wide financial statements are to be reported using the economic resources measurement focus and the accrual basis of accounting.

Cause: The School does not prepare year end adjustments to convert its cash basis general ledger to an accrual basis general ledger.

Effect: We proposed several adjusting journal entries, including prior-period adjustments, to convert the School's cash basis financial statements to that of an accrual basis.

Auditor's Recommendations: We recommend that management identify and prepare the year end adjustments required to convert the School's cash basis general ledger to that of an accrual basis.

## Current Year Recommendations

### 07-3 Bank reconciliation

Criteria: The School maintains procedures for performing periodic bank reconciliations.

Condition: Upon reviewing the School's year end bank reconciliation for the operating account, it was noted that the reconciliation reflected several uncleared transactions including items dating as far back as 2004.

Cause: The School's bank reconciliation procedures are not sufficient.

Effect: The School's unaudited cash balance was significantly understated.

Auditor's Recommendation: We recommend the School modifies its bank reconciliation procedures to include examining the reasonableness of uncleared items and the process of disposing of items determined not to be valid.

### 07-4 Fixed assets and depreciation

Criteria: The School's policy is to depreciate the cost of fixed assets over the asset's estimated useful life.

Condition: During the course of our audit, we noted the School failed to record any depreciation expense on its general ledger.

Cause: The School's fiscal policies do not address who is responsible for computing depreciation.

Effect: The School's unaudited general ledger was not in compliance with generally accepted accounting principles.

Auditor's Recommendation: We recommend the School modifies its fiscal policies to address who is responsible for computing the School's depreciation.