

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORTS

**METROPOLITAN MINISTRIES ACADEMY, A PROGRAM OF
METROPOLITAN MINISTRIES, INC.**

June 30, 2009

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RIVERO, GORDIMER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

CESAR J. RIVERO
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HERMAN V. LAZZARA
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STEPHEN G. DOUGLAS
MICHAEL E. HELTON

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Metropolitan Ministries, Inc.

We have audited the accompanying statement of financial position of Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc. (the "Academy") as of June 30, 2009, and the related statements of activities and changes in net assets, and cash flows for the year then ended. 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 of America. 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 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 Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc. as of June 30, 2009, and its activities and changes in net assets, and its cash flows for the 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 a report dated August 14, 2009 on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

In accordance with Section 218.39(4), Florida Statutes, and Section 10.856(2), Rules of the Auditor General, we have also issued a statement of auditors' comments and recommendations addressed to the Academy's Board of Directors, dated August 14, 2009 under the heading Independent Auditors' Management Letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of charter school audits performed in the State of Florida. In that connection we have submitted our Independent Auditors' Management Letter, dated August 14, 2009, that contains additional disclosures required under the Rules of the Auditor General. Disclosures in the management letter should be considered in conjunction with this report.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information listed in the foregoing table of contents on pages 13 thru 17 is presented for purposes of additional analysis as required by the Hillsborough County District School Board. This information is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Beuco, Jordan & Company, P.A.

Tampa, Florida
August 14, 2009

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2009
(With comparative total for 2008)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2009	2008
ASSETS					
Cash and cash equivalents (notes A7 and A9)	\$ 23,514	\$ 43,083	\$ 150,000	\$ 216,597	\$ 193,083
Property and equipment, net of accumulated depreciation (notes A4 and B)	108,582	-	-	108,582	111,194
Other assets	5,500	-	-	5,500	2,250
Total assets	\$ 137,596	\$ 43,083	\$ 150,000	\$ 330,679	\$ 306,527
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses	\$ 18,761	\$ -	\$ -	\$ 18,761	\$ 16,454
Deferred revenue	22,427	-	-	22,427	-
Total liabilities	41,188	-	-	41,188	16,454
Net assets (notes A2 and A5)	96,408	43,083	150,000	289,491	290,073
Total liabilities and net assets	\$ 137,596	\$ 43,083	\$ 150,000	\$ 330,679	\$ 306,527

The accompanying notes are an integral part of this statement.

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2009
(With comparative total for 2008)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2009	2008
Public support and revenue					
Public support					
Contributions					
In-kind/non-cash	\$ 53,808	\$ -	\$ -	\$ 53,808	\$ 81,208
Cash	4,074	-	-	4,074	16,028
Private grants	350	-	-	350	21,000
Government grants (note F)	500,925	22,357	-	523,282	502,741
Funded revenue	2,000	-	-	2,000	-
Other interest	1,253	-	-	1,253	-
Special events	36,057	-	-	36,057	-
Total public support	598,467	22,357	-	620,824	620,977
Revenue					
Transfer from Metropolitan Ministries, Inc. (note H)	195,154	-	-	195,154	52,445
Total revenue	195,154	-	-	195,154	52,445
Net assets released from restrictions	22,357	(22,357)	-	-	-
Total public support and revenue	815,978	-	-	815,978	673,422
Expenses					
Salaries and wages	399,523	-	-	399,523	347,999
Employee benefits	76,675	-	-	76,675	82,531
Occupancy	60,000	-	-	60,000	60,000
Purchased services	13,560	-	-	13,560	11,170
Materials and supplies	20,497	-	-	20,497	53,079
In-kind expenses	53,808	-	-	53,808	81,208
Depreciation	31,315	-	-	31,315	28,571
Maintenance and repairs	145,615	-	-	145,615	-
Other	15,567	-	-	15,567	18,224
Total expenses	816,560	-	-	816,560	682,782
Change in net assets	(582)	-	-	(582)	(9,360)
Net assets at beginning of year	96,990	43,083	150,000	290,073	299,433
Net assets at end of year	<u>\$ 96,408</u>	<u>\$ 43,083</u>	<u>\$ 150,000</u>	<u>\$ 289,491</u>	<u>\$ 290,073</u>

The accompanying notes are an integral part of this statement.

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2009

Cash flows from operating activities	
Change in net assets	\$ (582)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	31,315
Increase in prepaid expense	(3,250)
Increase in accounts payable and accrued expenses	2,307
Increase in deferred revenue	22,427
Total adjustments	<u>52,799</u>
Net cash provided by operating activities	<u>52,217</u>
Cash flows from investing activities	
Purchases of equipment	<u>(28,703)</u>
Net cash used in investing activities	<u>(28,703)</u>
Net increase in cash	23,514
Cash and cash equivalents at beginning of year	<u>193,083</u>
Cash and cash equivalents at end of year	<u>\$ 216,597</u>

The accompanying notes are an integral part of this statement.

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2009

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A description of the organization and a summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follow.

1. Description of the Organization

The Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc. (the "Academy") is a charter school operated by Metropolitan Ministries, Inc. (the "Ministries"), whose mission is to educate children of homeless families who are living at the Family Care Center of the Ministries, and those at risk of becoming homeless in the community.

The Academy's operating funds are generated primarily from grants received from the School District of Hillsborough County. Operations are enhanced through the receipt of contributions from Metropolitan Ministries, Inc.

2. Basis of Accounting

These financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Academy as a whole and to present net assets, revenues and expenses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- Unrestricted net assets - Net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Academy and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that assets be maintained permanently by the Academy. Generally, the donors of these assets permit the Academy to use all or part of the income and earnings on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Contributions, including unconditional promises to give (pledges), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009

NOTE A - DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible pledges is provided based upon management's judgment, including such factors as prior collection history, type of contribution and nature of the fund-raising activity.

The Academy does not present a Statement of Functional Expenses as the expenses included in the accompanying financial statements represent the expenses of one program.

3. Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

4. Property and Equipment

Property and equipment are stated at cost. Donated property and equipment are recorded at fair value at the date of donation. Depreciation is calculated over the estimated useful lives of the assets on the straight-line basis. Estimated useful lives for the Academy's furniture and equipment is five years. The Academy capitalizes asset acquisitions that exceed \$1,000.

5. SFAS No. 116 and 117

The Academy follows the provisions of Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations*.

Statement of Financial Accounting Standards No. 116 requires the Academy to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributed services meeting certain criteria at fair values.

Statement No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows.

6. Income Taxes

The Academy, as a program of the Ministries, is exempt from federal and state income taxes, under Section 501(c)(3) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively.

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009

NOTE A- DESCRIPTION OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. Concentrations of Credit Risk

Financial instruments, which potentially subject the Academy to concentrations of credit risk, consist principally of cash.

8. Use of Estimates

Management of the Academy has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

9. Cash Equivalents

Cash equivalents consist of highly liquid short-term money market instruments with a maturity of three months or less when purchased. Included in cash and cash equivalents is \$150,000 that is permanently restricted for endowing the Academy.

10. Comparative Information

The financial statements include certain prior period, summarized, comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Academy's financial statements for the year ended June 30, 2008, from which the summarized information was derived.

NOTE B - FURNITURE AND EQUIPMENT

A summary of furniture and equipment at June 30, 2009 follows:

Furniture and equipment	\$ 255,897
Less accumulated depreciation	<u>147,315</u>
Net furniture and equipment	<u>\$ 108,582</u>

NOTE C - RESTRICTIONS AND LIMITATIONS ON NET ASSETS

Permanently restricted net assets consist of the following at June 30, 2009:

Cash and cash equivalents	<u>\$ 150,000</u>
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These assets were used to create a permanent endowment for the Academy.

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009

NOTE D - RETIREMENT PLAN

Employees of the Academy are eligible to participate in the savings plan of Metropolitan Ministries, Inc. The Ministries adopted a savings plan for its eligible employees on May 1, 1992. This plan, as written, qualifies as a Section 401(k) plan under the Internal Revenue Code. Full-time employees over the age of 21 who have worked for the Academy for one quarter or more are eligible to participate in the plan. Employees are fully vested upon entrance to the plan, which provides for a 50 percent employer match to a maximum of 6 percent of an employee's salary. Contributions by the Ministries to the plan on behalf of Academy employees for the year ended June 30, 2009 approximated \$3,800.

NOTE E - CONTINGENCIES

The Academy is subject to audit examination by funding sources to determine compliance with grant conditions. In the event that expenditures would be disallowed, repayment could be required. Management believes they are in compliance with the grant conditions imposed by their various funding sources.

NOTE F - REVENUE SOURCES

Revenues for current operations are received primarily from the Hillsborough County District School Board (the "District") pursuant to the funding provisions included in the Academy's charter. In accordance with the funding provisions of the charter and Section 1002.33 (18), Florida Statutes, the Academy reports the number of full-time equivalent (FTE) students and related data to the District. Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the Academy is adjusted during the year to reflect the revised calculations by FDOE under the FEFP and the actual weighted full-time equivalent students reported by the Academy during the designated full-time student survey periods.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the Florida Legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2. The Academy reported 82 unweighted FTE for the 2008-2009 school year. Weighted funding represented approximately 60% of total funding.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Auditor General, pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code.

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009

NOTE F - REVENUE SOURCES - Continued

Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- attendance and membership documentation (Rule 6A-1.044, FAC)
- teacher certificates and other certification documentation (Rule 6A-1.0503, FAC)
- documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC)
- procedural safeguards for weighted programs (Rule 6A-6.03411, FAC)
- evaluation and planning documents for weighted programs (Section 1011.62(1)(e)1, FS, and Rule 6A-6.03411, FAC)

The Academy receives federal awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

NOTE G - COMMITMENTS

The Academy conducts its operations in leased facilities. This lease is classified as an operating lease in which the Academy pays the lessor \$5,000 per month through June 2009. Rent expense for the Academy for the year ended June 30, 2009 is \$60,000 and is included as occupancy expenses in the financial statements.

NOTE H - RELATED PARTIES

The Ministries contributed approximately \$195,000 to the Academy during the year ended June 30, 2009, which provides operational support of the Academy.

NOTE I - SUBSEQUENT EVENTS

The Academy has been operating its charter school on the Ministries' campus for the past ten years. In June, 2009, the Ministries decided to partner with the School District of Hillsborough County (SDHC) in order to utilize the strengths of both organizations to operate the school. The terms of the agreement are not yet finalized, but management anticipates that agreement will commit SDHC to operating a public school on or adjacent to the Ministries' campus for at least five years and commit the Ministries to providing the facility for the school. SDHC will begin operating a public school on the campus on August 24, 2009, without an executed agreement. If an agreement is executed, the Ministries will relinquish their school charter.

SUPPLEMENTAL INFORMATION

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

BALANCE SHEET

June 30, 2009
(With comparative total for 2008)

	General Fund	Special Revenue Fund	Capital Fund	Total Funds	
				2009	2008
ASSETS					
Cash and cash equivalents	\$ 173,514	\$ -	\$ 43,083	\$ 216,597	\$193,083
Grants receivable	-	-	-	-	-
Furniture and equipment, net of accumulated depreciation	-	-	-	-	-
Other assets	5,500	-	-	5,500	2,250
Total assets	\$ 179,014	\$ -	\$ 43,083	\$ 222,097	\$195,333
LIABILITIES AND FUND BALANCE					
Accounts payable	\$ 5,500	\$ -	\$ -	\$ 5,500	\$ 2,547
Salaries, benefits and payroll taxes payable	13,261	-	-	13,261	13,907
Deferred revenue	22,427	-	-	22,427	-
Total liabilities	41,188	-	-	41,188	16,454
Unreserved	-	-	-	-	-
Reserved	137,826	-	43,083	180,909	178,879
Total fund balance	137,826	-	43,083	180,909	178,879
Total liabilities and fund balance	\$ 179,014	\$ -	\$ 43,083	\$ 222,097	\$195,333

The accompanying note is an integral part of this statement.

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the year ended June 30, 2009
(With comparative total for 2008)

	General Fund	Special Revenue Fund	Capital Fund	Total Funds	
				2009	2008
REVENUES					
Federal through State	\$ 36,715	\$ -	\$ -	\$ 36,715	\$ 42,577
State revenue - Florida Education Finance Program (FEFP)	464,210	-	-	464,210	420,415
State revenue - capital outlay	-	-	22,357	22,357	39,749
Private grants	350	-	-	350	21,000
Contributions					
In-kind/non-cash	53,808	-	-	53,808	81,208
Cash	4,074	-	-	4,074	16,028
Fully funded revenue	2,000	-	-	2,000	-
Special events revenue	36,057	-	-	36,057	-
Other revenue	1,253	-	-	1,253	-
Revenue from local sources	188,808	-	6,346	195,154	52,445
Total revenues	787,275	-	28,703	815,978	673,422
EXPENDITURES					
Basic instruction					
Salaries	323,614	-	-	323,614	229,679
Employee benefits	62,107	-	-	62,107	54,471
Purchased services	13,560	-	-	13,560	11,170
Other expenses	2,814	-	-	2,814	12,052
In-kind expenses	53,808	-	-	53,808	81,208
Total basic instruction	455,903	-	-	455,903	388,580
Instructional and curriculum development					
Materials and supplies	14,300	-	-	14,300	25,603
School administration					
Salaries	75,909	-	-	75,909	118,320
Employee benefits	14,568	-	-	14,568	28,060
Purchased services	-	-	-	-	-
Materials and supplies	6,197	-	-	6,197	4,497
Other expenses	12,753	-	-	12,753	6,172
Total school administration	109,427	-	-	109,427	157,049

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
CONTINUED

For the year ended June 30, 2009
(With comparative total for 2008)

	General Fund	Special Revenue Fund	Capital Fund	Total Funds	
				2009	2008
Plant					
Occupancy	60,000	-	-	60,000	60,000
Materials and supplies	-	-	-	-	19,884
Maintenance of plant	145,615	-	-	145,615	-
Total plant	<u>205,615</u>	<u>-</u>	<u>-</u>	<u>205,615</u>	<u>79,884</u>
Capital expenditures					
Capital outlay	-	-	22,357	22,357	37,829
Other capital expenditures	-	-	6,346	6,346	-
Total capital expenditures	<u>-</u>	<u>-</u>	<u>28,703</u>	<u>28,703</u>	<u>37,829</u>
Total expenditures	<u>785,245</u>	<u>-</u>	<u>28,703</u>	<u>813,948</u>	<u>688,945</u>
Excess (deficiency) of revenues over expenditures	2,030	-	-	2,030	(15,523)
Fund balance at beginning of year	<u>135,796</u>	<u>-</u>	<u>43,083</u>	<u>178,879</u>	<u>194,402</u>
Fund balance at end of year	<u>\$ 137,826</u>	<u>\$ -</u>	<u>\$ 43,083</u>	<u>\$ 180,909</u>	<u>\$ 178,879</u>

The accompanying note is an integral part of this statement.

Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc.

NOTE TO SUPPLEMENTAL INFORMATION

June 30, 2009

NOTE A - RECONCILIATION OF SUPPLEMENTAL INFORMATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Total net change in fund balance - governmental funds \$ 2,030

Amounts reported in the Statement of Activities and Changes in Net Assets are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$28,703) exceed depreciation expense (\$31,315) in the period.

(2,612)

Change in net assets

\$ (582)

**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***

**METROPOLITAN MINISTRIES ACADEMY, A PROGRAM OF
METROPOLITAN MINISTRIES, INC.**

June 30, 2009



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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

Board of Directors
Metropolitan Ministries, Inc.

We have audited the financial statements of Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc. (the "Academy") as of and for the year ended June 30, 2009, and have issued our report thereon, dated August 14, 2009. 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 of America.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the 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 over financial reporting 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 operations that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors, management and awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Riviero, Gordimer & Company, P.A.

Tampa, Florida
August 14, 2009

**MANAGEMENT LETTER BASED ON RULE 10.854(1)(e)
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

**METROPOLITAN MINISTRIES ACADEMY, A PROGRAM OF
METROPOLITAN MINISTRIES, INC.**

June 30, 2009



RIVERO, GORDIMER & COMPANY, P.A.
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MANAGEMENT LETTER BASED ON RULE 10.854(1)(e)
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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The Board of Directors
Metropolitan Ministries, Inc.

We have audited the financial statements of Metropolitan Ministries Academy, a program of Metropolitan Ministries, Inc. (the "Academy"), as of and for the fiscal year ended June 30, 2009, and have issued our report thereon, dated August 14, 2009. We have also issued our report on compliance and on internal control over financial reporting. That report should be considered in conjunction with this management letter.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which governs the conduct of charter school audits performed in the State of Florida and require that certain items be addressed in this letter.

Section 10.854 (1)(e)1, Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Our audit did not reveal any audit findings in the preceding year.

Section 10.854 (1)(e)2, Rules of the Auditor General, requires that we comment as to whether or not one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) were met. In connection with our audit, we determined that the Metropolitan Ministries Academy did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.854 (1)(e)3, Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.854 (1)(e)4, Rules of the Auditor General, requires that we address violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.854 (1)(e)5, Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) Violations of laws, rules, regulations, contracts, and grant agreements or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including, but not limited to; (a) improper or inadequate accounting procedures (e.g. the omission of required disclosures from the annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.

Section 10.854(1)(e)6, Rules of the Auditor General, requires the name or official title of the school. The official title of the school is Metropolitan Ministries Academy.

Section 10.854 (1)(e)7, Rules of the Auditor General, requires that we apply financial condition assessment procedures to address whether or not deteriorating financial conditions are disclosed pursuant to Section 218.39(5), Florida Statutes. Our audit did not reveal deteriorating financial conditions.

Pursuant to Sections 10.854(1)(3)7a and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Metropolitan Ministries Academy'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.

Pursuant to Chapter 119, Florida Statutes, the management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Bruce, Gardner & Company, P.A.

Tampa, Florida
August 14, 2009