

# ***Mark Escoffery, P.A.***

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## ***Certified Public Accountant***

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### **MANAGEMENT LETTER**

To the Board Members of  
The Center for Education, Training And Holistic Approaches, Inc.,  
D/B/A Toussaint L'Ouverture High School for Arts and Social Justice  
Delray Beach, Florida

#### **Report on the Financial Statements**

I have audited the financial statements of The Center for Education, Training and Holistic Approaches, Inc., Florida, D/B/A Toussaint L'Ouverture High School for Arts and Social Justice ("the School") as of and for the fiscal year ended June 30, 2020, and have issued my report thereon dated September 26, 2020.

#### **Auditor's Responsibility**

I conducted my 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; and Chapter 10.850, Rules of the Auditor General.

#### **Other Reports and Schedules**

I have issued my Independent Auditor's Report on Internal Control over Financial Report and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.

#### **Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There was no finding and recommendation made in the preceding annual financial report.

#### **Official Title**

Section 10.854(1) (e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is The Center for Education, Training and Holistic Approaches, Inc.

**MANAGEMENT LETTER**  
**(Cont'd.)**

**Financial Condition**

Section 10.854(1)(e)2, Rules of the Auditor General, requires that I report the results of my determination as to whether or not The Center for Education, Training and Holistic Approaches, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s). In connection with my audit, I determined that The Center for Education, Training and Holistic Approaches, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6a. and 10.855 (12), Rules of the Auditor General, I applied financial condition assessment procedures for The Center for Education, Training and Holistic Approaches, Inc. It is management responsibility to monitor The Center for Education, Training and Holistic Approaches, Inc.'s financial condition and my financial condition assessment was based in part on representations made by management and the review of financial information provided by management. While the School had a fund deficit as of the current year June 30, 2020, financial assessment procedures, which included reviewing subsequent financial statements, reflected a fund deficit of \$25,714.

**Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that I report the results of my determination as to whether the Center for Education, Training and Holistic Approaches, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with my audit, I determined that the Center for Education, Training and Holistic Approaches, Inc. maintained on its Web site the information specified in Section 1002.33(9) (p), Florida Statutes.

**Other Matters**

Section 10.854(1)(e)3., Rules of the Auditor General, requires that I address in the management letter any recommendations to improve financial management. In connection with my audit, I did have recommendations.

Three Findings as detailed below:

**20-1 Finding**

For 10 of the 44 disbursements selected, auditor noted no indication in the supporting documentation that the payment was properly authorized.

**Criteria**

Charter School best practices

**Effect**

Failure to properly authorize cash disbursements could result in irregularities, and reduce internal accounting control over cash management.

**MANAGEMENT LETTER**  
**(Continued)**

**Recommendation**

All cash disbursements should be properly approved by the person authorized to do so. Written approval is appropriate.

**Management Response**

Management will implement the recommendation of the auditor.

**20-2 Finding**

Of the disbursements selected for testing, three represented payment of personal expenses of a senior employee. The payments were debited to an expense account, which was later credited with the repayment by the employee.

**Criteria**

Charter School best practices

**Effect**

Improper use of School resources could result in errors and defalcations and reduce internal accounting controls over cash management.

**Recommendation**

The use of School funds for personal use should be strictly prohibited. Where such use occurs in error, the amount should be recorded as an advance to employee, and repayments should be tracked through credits to that receivable account.

**Management response**

Management will implement the recommendation of the auditor.

**20-3 Finding**

It was noted that loans/notes payable were not always properly accounted for.

**Criteria**

Charter School best practices

**Effect**

Failure to properly record payables and to properly track repayments could lead to liabilities being under or over stated, and could affect proper planning for availability of funds to meet repayments as they come due.

**Recommendation**

Due care should be taken in recording loans, and repayments should be recorded in the correct loan and interest GL accounts.

**Management response**

Management will implement the recommendation of the auditor.

**MANAGEMENT LETTER**  
**(Continued)**

Section 10.854(1)(e)4., Rules of the Auditor General, requires that I address noncompliance with provisions of 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 which warrants the attention of those charge with governance. In connection with my audit, I did not have any such findings.

**Purpose of this Letter**

My management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management and Palm Beach County School District and is not intended to be and should not be used by anyone other than these specified parties.

*Mark Escoffery, P.A.*

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September 26, 2020