

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY

**(A COMPONENT UNIT OF THE SCHOOL
BOARD OF MIAMI-DADE COUNTY, FLORIDA)**

BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

June 30, 2014

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Florida International Elementary Academy
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Florida International Elementary Academy (the "School") a department of Florida International Academy, Inc. and a component unit of the School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2014, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements of the School are intended to present the financial position and changes in financial position of only that portion of the governmental activities and each major fund of Florida International Academy, Inc., that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Florida International Academy, Inc. as of June 30, 2014, and its change in financial position or budgetary comparison, where applicable, for the year ended June 30, 2014, in conformity with accounting principles generally accepted in the United States of America.

As further discussed in Note 12, on August 8, 2014 the School was notified that the charter agreement with the School Board of Miami-Dade County, Florida, will be terminated pursuant to Florida Statutes.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 22 through 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2014, on our consideration of the School'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
August 29, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

Our discussion and analysis of Florida International Elementary Academy (the "School") financial performance provides an overview of the School's financial activities for the year ended June 30, 2014. Please read it in conjunction with the School's financial statements which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

The following are the highlights of financial activity for the year ended June 30, 2014:

- The School's total assets exceeded its liabilities as of June 30, 2014 by \$ 149,860 (net position).
- The School's net position decreased by \$ 153,130 during the current fiscal year as a result of this year's operations, including added efforts to improve educational objectives.

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 basic 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 consist 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 position presents information on all the School's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the year. All changes in net position 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 7 and 8 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 year. Such information may be useful in evaluating the School's near-term financing requirements.

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

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 change in fund balance provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balance. The General, Special Revenue, and Capital Projects Funds are considered to be the School's major funds.

The School adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 9 through 12 of this report.

Notes to Basic 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 basic financial statements can be found on pages 13 through 21 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 pages 22 and 23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statement of net assets as of June 30:

Florida International Elementary Academy Net Position			
	2014		2013
CURRENT ASSETS	\$ 300,391	\$	531,495
NONCURRENT ASSETS	135,871		161,679
Total assets	436,262		693,174
CURRENT LIABILITIES	232,864		330,972
NONCURRENT LIABILITIES	53,538		59,212
Total liabilities	286,402		390,184

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

Florida International Elementary Academy
Net Position
(continued)

	<u>2014</u>	<u>2013</u>
NET POSITION:		
Net investment in capital assets	76,660	97,332
Unrestricted	<u>73,200</u>	<u>205,658</u>
Total net position	\$ <u>149,860</u>	\$ <u>302,990</u>

A portion of the School's net position reflects its investment in capital assets, less any related outstanding debt used to acquire those assets (if any). The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of related debt (if any), it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance, unrestricted, may be used to meet the School's ongoing obligations

The following table reflects the School's change in net position for the years ended June 30, 2014:

Florida International Elementary Academy
Change in Net Position

	<u>2014</u>	<u>2013</u>
REVENUES:		
General revenues	\$ 3,072,583	\$ 2,990,835
Program revenues:		
Operating grants and contributions	797,016	387,023
Capital outlay funds	<u>-</u>	<u>175,275</u>
Total revenues	<u>3,869,599</u>	<u>3,553,133</u>
EXPENSES:		
Instruction	1,854,673	1,666,897
Administration	298,952	218,231
Operation of plant	501,244	493,937
Facilities acquisition	265,153	240,902
Pupil transportation services	218,647	212,017
Administrative technology	24,546	-
Food services	276,520	264,538
Community services	411,076	219,342
Fiscal services	121,337	108,189
Maintenance of plant	21,598	29,004
Board	22,780	25,378
Interest	<u>6,203</u>	<u>6,690</u>
Total expenses	<u>4,022,729</u>	<u>3,485,125</u>
Change in net position	(153,130)	68,008
NET POSITION, July 1,	<u>302,990</u>	<u>234,982</u>
NET POSITION, June 30,	\$ <u>149,860</u>	\$ <u>302,990</u>

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

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.

The General Fund is the chief operating fund of the School. At the end of year 2014, unassigned fund balance of the General Fund was \$ 10,978. The overall General Fund balance decreased by \$ 132,983.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the final amended budget and actual amounts can be briefly summarized as follows:

1. The school budgeted revenue net of the district administrative expensive. Adjusting entries were made to recognize revenue and expense resulting in a budget variance for these two items.
2. Increased transportation costs in the 21st Century Grant and after school program had to be absorbed by the School.
3. Exceptional education costs budgeted at 5500 (instructional) level but expensed to 5200 (exceptional education).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The School's investment in capital assets as of June 30, 2014 amounts to \$ 135,871 net of accumulated depreciation. This investment in capital assets is composed of leasehold improvements and office and classroom equipment.

Debt

The school funded facility improvements in the prior year through the issuance of a note payable in the amount of \$ 59,211. Principal paid on this note was \$ 5,136 during the current year.

ECONOMIC FACTORS

As discussed in Note 12, on August 8, 2014 the School was notified that the charter agreement will be terminated pursuant to Florida Statutes Section 1002.33(8)(b), F.S.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Florida International Academy, Inc. for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Florida International Academy, Inc.; 13400 NW 28th Avenue, Opa Locka, FL 33054.

BASIC FINANCIAL STATEMENTS

FLORIDA INTERNATIONAL ELEMENTARY
STATEMENT OF NET POSITION
June 30, 2014

A S S E T S

	<u>Governmental Activities</u>
CURRENT ASSETS:	
Cash	\$ 213,353
Due from other agencies	34,851
Prepaid expenses	<u>52,187</u>
Total current assets	<u>300,391</u>
NONCURRENT ASSETS:	
Capital assets, depreciable	211,490
Less accumulated depreciation	<u>(75,619)</u>
Total noncurrent assets	<u>135,871</u>
Total assets	<u>436,262</u>

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

CURRENT LIABILITIES:	
Accounts payable	5,135
Accrued payroll and related taxes	198,617
Due to affiliate	23,439
Note payable:	
Due within one year	<u>5,673</u>
Total current liabilities	232,864
NONCURRENT LIABILITIES:	
Due in more than one year	<u>53,538</u>
Total liabilities	<u>286,402</u>
COMMITMENTS AND CONTINGENCIES (Note 6 and 9):	-
NET POSITION:	
Net investment in capital assets	76,660
Unrestricted	<u>73,200</u>
Total net position	\$ <u><u>149,860</u></u>

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

FLORIDA INTERNATIONAL ELEMENTARY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities Net Revenue (Expense) and Change in Net Position</u>
FUNCTIONS/PROGRAMS:				
Governmental activities:				
Instruction:				
Regular	\$ 1,662,981	\$ 519,972	\$ -	\$ (1,143,009)
Exceptional	87,203	-	-	(87,203)
Instructional support services:				
Instructional services - other	104,489	-	-	(104,489)
Administrative services	298,952	-	-	(298,952)
Facilities acquisition and construction	501,244	-	-	(501,244)
Plant operations	265,153	-	-	(265,153)
Plant maintenance	21,598	-	-	(21,598)
Transportation	218,647	-	-	(218,647)
Administrative technology	24,546	-	-	(24,546)
Operation of non-instructional services:				
Food services	276,520	277,044	-	524
Board services	22,780	-	-	(22,780)
Fiscal services	121,337	-	-	(121,337)
Community services	411,076	-	-	(411,076)
Debt service:				
Interest	6,203	-	-	(6,203)
 Total governmental activities	 \$ <u>4,022,729</u>	 \$ <u>797,016</u>	 \$ <u>-</u>	 <u>(3,225,713)</u>
General revenues:				
FTE non-specific revenues				3,058,733
Miscellaneous revenues				<u>13,850</u>
Total general revenues				<u>3,072,583</u>
Change in net position				(153,130)
Net position, July 1, 2013, as restated Note 11				<u>302,990</u>
Net position, June 30, 2014				\$ <u><u>149,860</u></u>

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

FLORIDA INTERNATIONAL ELEMENTARY
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2014

	ASSETS			
	General Fund	Special Revenue Fund	Capital Projects Fund	Total
ASSETS:				
Cash	\$ 213,353	\$ -	\$ -	\$ 213,353
Due from other agencies	-	34,851	-	34,851
Due from other funds	24,816			24,816
Prepaid expenditures	<u>52,187</u>	<u>-</u>	<u>-</u>	<u>52,187</u>
Total assets	<u>\$ 290,356</u>	<u>\$ 34,851</u>	<u>\$ -</u>	<u>\$ 325,207</u>
	LIABILITIES AND FUND BALANCE			
LIABILITIES:				
Accounts payable	\$ 5,135	\$ -	\$ -	\$ 5,135
Accrued payroll and related taxes	198,617	-	-	198,617
Due to other funds	-	24,816	-	24,816
Due to affiliate	<u>23,439</u>	<u>-</u>	<u>-</u>	<u>23,439</u>
Total liabilities	<u>227,191</u>	<u>24,816</u>	<u>-</u>	<u>252,007</u>
COMMITMENTS AND CONTINGENCIES (Notes 6 and 9)	-	-	-	-
FUND BALANCES:				
Nonspendable for prepaid expenditures	52,187	-	-	52,187
Unassigned	<u>10,978</u>	<u>10,035</u>	<u>-</u>	<u>21,013</u>
Total fund balances	<u>63,165</u>	<u>10,035</u>	<u>-</u>	<u>73,200</u>
Total liabilities and fund balances	<u>\$ 290,356</u>	<u>\$ 34,851</u>	<u>\$ -</u>	<u>\$ 325,207</u>

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

FLORIDA INTERNATIONAL ELEMENTARY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2014

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:

Total fund balances - governmental funds	\$	73,200
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Capital assets used in governmental activities are not
financial resources; therefore, they are not reported
in the governmental fund.

Cost of capital assets	\$	211,490	
Accumulated depreciation		<u>(75,619)</u>	135,871

Liabilities not payable with current available resources
are not reported as fund liabilities in the governmental
fund statements. All liabilities both current and long-term
are reported in the government-wide statements.

Note payable		<u>(59,211)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>149,860</u></u>
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The accompanying notes to basic financial statements are an integral part of these statements.

FLORIDA INTERNATIONAL ELEMENTARY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES - GOVERNMENTAL FUND
For the Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Capital Project Fund	Total
REVENUES:				
State sources	\$ 3,058,733	\$ 5,547	\$ -	\$ 3,064,280
Federal sources	-	786,987	-	786,987
Local sources	<u>13,850</u>	<u>4,482</u>	<u>-</u>	<u>18,332</u>
Total revenues	<u>3,072,583</u>	<u>797,016</u>	<u>-</u>	<u>3,869,599</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	1,528,562	122,800	-	1,651,362
Exceptional	87,203	-	-	87,203
Instructional support services:				
Pupil services	-	-	-	-
Instructional media services	-	-	-	-
Instructional services - other	104,489	-	-	104,489
Administrative services	298,952	-	-	298,952
Facilities acquisition and construction	487,055	-	-	487,055
Plant operations	265,153	-	-	265,153
Plant maintenance	21,598	-	-	21,598
Transportation	218,647	-	-	218,647
Administrative technology	24,546	-	-	24,546
Operation of non-instructional services:				
Food services	-	276,520	-	276,520
Board services	22,780	-	-	22,780
Fiscal services	121,337	-	-	121,337
Community services	13,905	397,171	-	411,076
Capital outlay:				
Site, building and equipment	-	-	-	-
Debt service:				
Principal	5,136	-	-	5,136
Interest	<u>6,203</u>	<u>-</u>	<u>-</u>	<u>6,203</u>
Total expenditures	<u>3,205,566</u>	<u>796,491</u>	<u>-</u>	<u>4,002,057</u>
Net change in fund balances	(132,983)	525	-	(132,458)
FUND BALANCES, July 1, 2013	<u>196,148</u>	<u>9,510</u>	<u>-</u>	<u>205,658</u>
FUND BALANCES, June 30, 2014	<u>\$ 63,165</u>	<u>\$ 10,035</u>	<u>\$ -</u>	<u>\$ 73,200</u>

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

FLORIDA INTERNATIONAL ELEMENTARY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGE IN FUND BALANCE -
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$	(132,458)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, these costs are allocated over their estimated useful lives as a provision for depreciation.

Cost of capital assets	\$	3,240	
Provision for depreciation		<u>(29,048)</u>	(25,808)

The payment of debt is reported as and expenditures in the governmental funds, but reported as reductions in the statement of net position.

Repayment of debt principal		<u>5,136</u>	<u>5,136</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>(153,130)</u></u>
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The accompanying notes to basic financial statements are an integral part of these statements.

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 1 - ORGANIZATION AND OPERATIONS

Florida International Elementary Academy (the "School"), a department of Florida International Academy, Inc. and a component unit of the School Board of Miami-Dade County, Florida, is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 228.056, Florida Statutes. The School commenced operations in August 2010 and offers classes for grades kindergarten through fifth grades in the City of Miami. Four hundred sixty-four (464) students were enrolled in classes when the school year ended June 30, 2014.

The financial statements of the School present only the balances, activity, and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of Florida International Academy, Inc. as of June 30, 2014 and its change in financial position or budgetary comparisons, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity:

The School operates under a charter granted by the sponsoring School Board, the School Board of Miami-Dade County, Florida. The current charter is effective until June 30, 2015, and may be renewed in increments of one year by mutual written agreement between the School and the District. At the end of the term of the charter, the Board may choose not to renew the charter under grounds specified in the charter, in which case the Board 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 Board may also terminate the charter if good cause is shown. Florida International Elementary Academy is considered a component unit of the School Board of Miami-Dade County, Florida.

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:

Based on the guidance presented in the American Institute of Certified Public Accountants Audit and Accounting Guide – Not-for-Profit Organizations and provisions of Section 228.056(9), Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

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 statements categorize primary activities as either governmental or business type. All of the School's activities are classified as governmental activities.

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the government-wide statement of net position, 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 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 (unrestricted contributions, investment earnings, miscellaneous revenue, etc.). The statement of activities reduces gross expenses (including provision for depreciation) 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 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 position resulting from the current year's activities.

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, fund balance, revenues, and expenditures.

The School reports the following major governmental funds:

General Fund - This fund is used to account for all operating activities of the School except for those required to be accounted for in another fund.

Special Revenue Fund - This fund is used to account for federal grants that are legally restricted to expenditures for particular purposes.

Capital Projects Fund – This fund is used to account for state capital outlay funding that is legally restricted to expenditures for particular purposes.

Net position:

Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets – represents the difference between the cost of any capital assets, less accumulated depreciation reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvements of those assets, if any.
- Restricted net assets – consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted – indicates that portion of net position that can be used for future operations.

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund balance:

The School has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance classifications to report on the nature and extent to which the School is bound to have constraints on the specific purposes for which amounts in those funds can be spent.

The following classifications describe the relative strength of the spending constraints:

- Nonspendable – amounts that are not in spendable form (such as prepaid items and deposits) or are legally or contractually required to be maintained intact.
- Restricted – amounts constrained to specific purposes by external providers (such as grantors) or imposed by law through constitutional provisions, or by enabling legislation.
- Committed – amounts constrained to specific purposes by formal action of the School itself, using its highest level of decision making authority (i.e., the School Board) through Resolution. To be reported as committed, amounts cannot be used for any other purpose unless the School Board takes the same highest level action (i.e., Resolution) to remove or change the constraint.
- Assigned – amounts the School intends to use for a specific purpose but are neither restricted nor committed. Assignments can be made by the School's body or any delegated authority at their direction.
- Unassigned – amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the School Board or its delegated official or body has provided otherwise in its commitment or assignment actions.

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 full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The governmental fund basic financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Cash and cash equivalents:

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition. In addition, the School maintains its cash accounts with one financial institution. The School's accounts at this institution, at times, may exceed the federally insured limit. The School has not experienced any loss.

Capital assets:

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost of \$ 750 and useful life of over one year. Donated capital assets are valued at their estimated fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Equipment	5 years
Leasehold and other improvements	10 years

Due from other governments:

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Due to/from other funds:

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Prepaid expenses/expenditures:

Certain payments to vendors reflect cost applicable to a future accounting period and are recorded as prepaid items in both government-wide and fund financial statements.

Unearned revenue:

Unearned revenue arises when the School receives resources before it has a legal claim to them.

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred outflows/inflows of resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Grant and contract revenue:

Grant and contract revenue is recognized when the allowable costs as defined by the individual grant or contract are incurred.

Income taxes:

The School is a department of a nonprofit corporation whose revenue is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these basic financial statements.

Use of estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Date of managements review:

Subsequent events have been evaluated by management through August 29, 2014, which is the date the financial statements were available to be issued.

NOTE 3 - BUDGET

The School formally adopted a budget for the General Fund and Special Revenue Fund for the year ended June 30, 2014. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. A comparison of the actual results of operations to the final budgeted amounts for the both funds is presented as required supplemental information.

NOTE 4 - DEPOSITS

At June 30, 2014 the total carrying amount of the School's cash balances was \$ 213,353. The bank balance at local depositories was \$ 229,724.

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 4 – DEPOSITS (continued)

State statute require, and it is the School's policy, that all deposits be made into, and be held by, financial institutions designated by the treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimal collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School's deposits are held in a qualified public depository. They are covered by the collateral pool, as the School has identified itself as a public entity at June 30, 2014.

NOTE 5 - CAPITAL ASSETS

A summary of changes in governmental capital assets is as follows:

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
Capital assets, being depreciated:				
Leasehold improvements	\$ 125,105	\$ 870	\$ -	\$ 125,975
Equipment	<u>83,145</u>	<u>2,370</u>	<u>-</u>	<u>85,515</u>
Total capital assets, being depreciated	<u>208,250</u>	<u>3,240</u>	<u>-</u>	<u>211,490</u>
Accumulated depreciation:				
Leasehold and other improvements	(18,360)	(12,590)	-	(30,950)
Equipment	<u>(28,211)</u>	<u>(16,458)</u>	<u>-</u>	<u>(44,669)</u>
Total accumulated depreciation:	<u>(46,571)</u>	<u>(29,048)</u>	<u>-</u>	<u>(75,619)</u>
Net capital assets	<u>\$ 161,679</u>	<u>\$ (25,808)</u>	<u>\$ -</u>	<u>\$ 135,871</u>

Depreciation for the year ended June 30, 2014, amounted to \$ 29,048 allocated to regular instruction and facilities acquisition and construction of \$ 11,619 and \$ 17,429, respectfully.

As part of the School's charter contract, all capital assets purchased with public funds will automatically revert to the district school board upon the non-renewal or termination of the contract.

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Grant agreements:

The School received financial assistance from Federal, state, 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* and the Florida Single Audit Act, the School is required to conduct a "single audit" since the required threshold for both Federal and state money is currently \$ 500,000 and the School exceeded such threshold. The School is currently in process of completing this requirement.

Management agreement:

The School also has a contract with a management company to assist the performance of various administrative, operating, and financial duties. Under the terms of the agreement, the School will pay monthly \$ 8,500 through June 2015. The total amount incurred during the year ended June 30, 2014 relating to this contract was \$ 102,000. This contract can be terminated unilaterally by either party if school enrollment falls below 200 students. This agreement was renewed for the following fiscal year.

NOTE 7 – RELATED PARTY TRANSACTIONS

The School is related to Florida International Academy ("Academy") through being operated under the same not-for-profit organization, Florida International Academy, Inc. The schools share various cost inherent with operating out of the same facility and may also advance monies on an interim basis to one another. As a result of these transactions, the School owes the Academy \$ 23,439 as of June 30, 2014.

NOTE 8 – DEBT

During the year, the School financed certain facility improvements through the issuance of a note. The note is payable monthly in the amount of \$ 945 including principal and interest at a rate of 10% until November 2021. The outstanding balance at June 30, 2014 was \$ 59,211.

Debt amounts and activity for the year are as follows:

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014	Due In One Year
Note payable	\$ 64,347	\$ -	\$ 5,136	\$ 59,211	\$ 5,673

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 8 – DEBT (continued)

The following are approximate future principal payments on the above note payable:

Year Ending <u>June 30 ,</u>	
2015	\$ 5,700
2016	6,300
2017	6,900
2018	7,600
2019	8,400
2020-2022	<u>24,300</u>
Total	<u>\$ 59,200</u>

NOTE 9 - LEASES

The School leases facilities for its operations under a joint agreement with the Academy where 58% of the lease expense is allocated to the School and 42% is allocated to the Academy. The lease agreement became effective August 1, 2010 and expires on July 31, 2035. The agreement has the option for four, five year extensions, subsequent to the end of the 25 year lease term. In addition, the Schools have the option to purchase the property for approximately \$ 11,000,000 for the first four years of the agreement. Rent is based on agreed upon amounts for the initial three years and then increased by the annual consumer price index in effect for subsequent years. Monthly lease payments are approximately \$ 40,200. Total expense in connection with the facility lease amounted to approximately \$ 483,000 for the year ended June 30, 2014.

Future base lease payments in accordance with the new agreement are as follows:

Year Ending <u>June 30 ,</u>	
2015	\$ 482,600
2016	\$ 482,600
2017	\$ 482,600
2018	\$ 482,600
2019	\$ 482,600
2020-2024	\$ 2,412,800
2025-2029	\$ 2,412,800
2030-2034	\$ 2,412,800
2035-2036	\$ 522,800

NOTE 10 – RISK FINANCING

The School is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School places all insurance risk, less nominal deductibles, in the hands of commercial carriers. At the present time, management believes that any claims the School may have are insured and that any expense associated with them will not materially affect the financial position of the School.

FLORIDA INTERNATIONAL ELEMENTARY ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 11 – PRIOR PERIOD ADJUSTMENT

Beginning net position was decreased by \$ 6,776 due to certain errors in allocation of capital assets to the related party schools (Academy and Elementary).

NOTE 12 – SUBSEQUENT EVENT/EMPHASIS OF MATTER

On August 8, 2014 the School was notified by the School Board of Miami-Dade County, Florida, of its intent to terminate the School's charter agreement pursuant to Florida Statutes Section 1002.33(8)(b), F.S., due to a failure of meeting certain student performance requirements.

The School is in the process of discussing details of the proposed termination with the School Board of Miami-Dade County, Florida in an attempt to minimize impact to the students and make a smooth transition to an alternate educational institution and facility. In this regard, the date of the actual close and transition of the students has not yet been determined.

Additionally, the School has been notified that any unencumbered funds, district school board property and improvements, furnishings, and other equipment purchased with public funds, records pertaining to the School, shall not be removed, altered, sold and/or disposed. The School has also been informed that it shall not expend more than \$ 10,000 per expenditure without prior written approval from the School Board of Miami-Dade County, Florida unless such expenditure was included within the annual budget submitted to the School Board.

REQUIRED SUPPLEMENTAL INFORMATION

FLORIDA INTERNATIONAL ELEMENTARY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2014

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
State sources	\$ 3,050,798	\$ 3,059,881	\$ 3,058,733	\$ (1,148)
Local sources	<u>35,087</u>	<u>20,000</u>	<u>13,850</u>	<u>(6,150)</u>
Total revenues	<u>3,085,885</u>	<u>3,079,881</u>	<u>3,072,583</u>	<u>(7,298)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	1,555,441	1,622,500	1,528,562	93,938
Exceptional	-	-	87,203	(87,203)
Instructional support services:				
Instructional services - other	3,000	120,000	104,489	15,511
Administrative services	453,828	304,000	298,952	5,048
Facilities acquisition and construction	489,558	505,000	487,055	17,945
Plant operations	191,200	272,000	265,153	6,847
Plant maintenance	25,000	23,000	21,598	1,402
Transportation	214,000	223,000	218,647	4,353
Administrative technology	-	25,000	24,546	454
Operation of non-instructional services:				
Board services	26,000	24,000	22,780	1,220
Fiscal services	119,500	122,000	121,337	663
Community services	-	-	13,905	(13,905)
Capital outlay:				
Site, building and equipment	-	-	-	-
Debt service:				
Principal	5,136	5,136	5,136	-
Interest	<u>6,203</u>	<u>6,364</u>	<u>6,203</u>	<u>161</u>
Total expenditures	<u>3,088,866</u>	<u>3,252,000</u>	<u>3,205,566</u>	<u>46,434</u>
Net change in fund balance	\$ <u>(2,981)</u>	\$ <u>(172,119)</u>	(132,983)	\$ <u>39,136</u>
FUND BALANCE, July 1, 2013			<u>196,148</u>	
FUND BALANCE, June 30, 2014			\$ <u>63,165</u>	

**FLORIDA INTERNATIONAL ELEMENTARY
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
For the Year Ended June 30, 2014**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Federal sources	\$ 811,981	\$ 820,638	\$ 786,987	\$ (33,651)
State sources	5,100	5,600	5,547	(53)
Local sources	<u>6,000</u>	<u>5,100</u>	<u>4,482</u>	<u>(618)</u>
Total revenues	<u>823,081</u>	<u>831,338</u>	<u>797,016</u>	<u>(34,322)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	114,140	122,797	122,800	(3)
Instructional support:				
Administrative services	330,603	-	-	-
Operation of non-instructional				
services:				
Food services	221,000	269,545	276,520	(6,975)
Community services	<u>153,359</u>	<u>437,841</u>	<u>397,171</u>	<u>40,670</u>
Total expenditures	<u>819,102</u>	<u>830,183</u>	<u>796,491</u>	<u>33,692</u>
Net change in				
fund balance	\$ <u>3,979</u>	\$ <u>1,155</u>	525	\$ <u>(630)</u>
FUND BALANCE, July 1, 2013			<u>9,510</u>	
FUND BALANCE, June 30, 2014			\$ <u>10,035</u>	

OTHER AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S 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*

To the Board of Directors
Florida International Elementary Academy
Miami, Florida

We have audited, 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, the financial statements of the governmental activities and each major fund of Florida International Elementary Academy (the "School"), a department of Florida International Academy, Inc. and component unit of the School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2014, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 29, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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 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*.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
August 29, 2014

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors
Florida International Elementary Academy
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Florida International Elementary Academy (the "School"), a component unit of the School Board of Miami-Dade County, Florida, as of and for the fiscal year ended June 30, 2014, and have issued our report thereon dated August 29, 2014.

Auditor's Responsibility

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.

Other Reporting Required by *Government Auditing Standards*

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated August 29, 2014, should be considered in conjunction with this management letter.

Prior Audit Findings

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. There were no recommendations made in the preceding audit report.

Financial Condition

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require that we apply appropriate procedures to determine whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for the School. It is management's responsibility to monitor the School'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.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website 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 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 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 charged with governance. In connection with our audit, we did not have any such findings.

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 Florida International Elementary Academy.

Purpose of this Letter

Our 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 is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
August 29, 2014