

**ADVANTAGE ACADEMY  
SANTA FE CHARTER SCHOOL**  
(A CHARTER SCHOOL UNDER ADVANTAGE  
ACADEMY OF MIAMI, INC.)

A Charter School and Component Unit of the  
District School Board of Miami-Dade County, Florida

INDEPENDENT AUDITOR'S REPORT  
*for the fiscal year ended JUNE 30, 2014*

*King & Walker, CPAs, PL*

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*Certified Public Accountants*

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**ADVANTAGE ACADEMY SANTA FE CHARTER SCHOOL**  
**(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF MIAMI, INC.)**  
A Charter School and Component Unit of the District School Board of Miami-Dade County, Florida

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709 W. Azelee St.  
Tampa, FL 33606  
office (813) 892-4274 fax (813) 253-0951  
www.KingandWalker.com

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## Independent Auditor's Report

To the Board of Directors of the Advantage Academy Santa Fe Charter School  
(A charter school under Advantage Academy of Miami, Inc.),  
a Charter School and Component Unit of the District  
School Board of Miami-Dade County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Advantage Academy Santa Fe Charter School, a charter school under Advantage Academy of Miami, Inc. ("School"), and a component unit of the District 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 *Governmental 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 School's preparation and fair presentation of the financial statements 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 School'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 opinion.

## ***Opinions***

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

## ***Emphasis of Matter***

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School at June 30, 2014, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of Advantage Academy of Miami, Inc. These financial statements do not purport to and do not present fairly the financial position of Advantage Academy of Miami, Inc. as of June 30, 2014 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule, and Note to Required Supplementary Information, as listed in the table of contents, 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 historic 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 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 25, 2014 on our consideration of the School's internal control over financial reporting and on 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.

Respectfully submitted,



August 25, 2014  
Tampa, Florida

**ADVANTAGE ACADEMY SANTA FE CHARTER SCHOOL**  
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*A Charter School and Component Unit of the District School Board of Miami-Dade County, Florida*

**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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The Management's Discussion and Analysis (MD&A) section of the annual financial report of the Advantage Academy Santa Fe Charter School, a charter school under Advantage Academy of Miami, Inc. ("School") provides an overview of the School's activities for the fiscal year ended June 30, 2014.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School's financial statements and notes to financial statements as listed in the table of contents.

**FINANCIAL HIGHLIGHTS**

- For the fiscal year ended June 30, 2014, the School's revenues exceeded expenses as shown on the School's statement of activities by \$30,214.
- As shown on the statement of net position, the School reported an unrestricted net position balance of \$177,493.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

**Government-Wide Financial Statements**

The government-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School's net position and the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the School's financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

## **Fund Financial Statements**

Fund financial statements are one of the components of the basic 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. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates the following funds; a General Fund to account for its general operations and internal account activities, and a Special Revenue Fund to account for Federal grant programs. The General Fund is considered to be a major fund. Data from the other governmental funds are combined into a single aggregate presentation.

The School adopts an annual budget for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund to demonstrate compliance with the budget.

## **Notes to Financial Statements**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the School's net position as of June 30, 2013, and June 30, 2014:

	Net Position, End of Year		
	Governmental Activities		
	6-30-13	6-30-14	Increase (Decrease)
<b>ASSETS</b>			
Current and Other Assets	\$ 324,292	\$ 345,738	\$ 21,446
Capital Assets, net	71,344	57,907	(13,437)
Total Assets	395,636	403,645	8,009
<b>LIABILITIES</b>			
Current Liabilities	151,450	155,050	3,600
Long Term Liabilities	39,000	13,195	(25,805)
Total Liabilities	190,450	168,245	(22,205)
<b>NET POSITION</b>			
Net Investment in Capital Assets	38,844	57,907	19,063
Unrestricted	166,342	177,493	11,151
Total Net Position	\$ 205,186	\$ 235,400	\$ 30,214

The assets of the School primarily consist of cash. Liabilities consist primarily of a short term loan and accrued salary and wages payable. Total net position amounted to \$235,400 which included an unrestricted net position balance of \$177,493.



The key elements of the changes in the School's net position for the fiscal year ended June 30, 2013, and June 30, 2014, are as follows:

**Operating Results for the Year**

	Governmental Activities		
	6-30-13	6-30-14	Increase (Decrease)
<b>Revenues:</b>			
Federal through State and Local	\$ 226,134	\$ 74,617	\$ (151,517)
State Sources	1,863,105	2,133,690	270,585
Local and Other	167,129	179,046	11,917
Total Revenues	2,256,368	2,387,353	130,985
<b>Expenses:</b>			
Instruction	1,006,518	1,059,429	52,911
Instructional Media	1,443		(1,443)
Instruction & Curriculum Development		7,304	7,304
Instructional Related Technology	20,205	11,338	(8,867)
Board of Education	168,722	196,589	27,867
School Administration	167,729	181,202	13,473
Facilities Acq. & Construction	382,891	401,914	19,023
Fiscal Services	101,228	104,994	3,766
Food Services	81,068	143,292	62,224
Operation of Plant	137,668	168,919	31,251
Maintenance of Plant	5,474	12,578	7,104
Community Service	67,758	51,299	(16,459)
Interest & Fiscal Charges		1,498	1,498
Unallocated Depreciation	15,368	16,783	1,415
Total Expenses	2,156,072	2,357,139	201,067
<b>Increase/(Decrease) in Net Position</b>	<b>\$ 100,296</b>	<b>\$ 30,214</b>	<b>\$ (70,082)</b>

The largest revenue source for the School is the State of Florida (89%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the School.

The largest concentration of expenses was for Instruction which represents 45% of total expenditures.

## **FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS**

### **Governmental Funds**

As the School completed the year, its governmental funds reported a combined fund balance of \$190,688.

### **BUDGETARY HIGHLIGHTS**

The General Fund budget for the fiscal year ended June 30, 2014, was developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Actual expenditures were equal to the final budget. Refer to the Budgetary Comparison Schedule for additional reference.

### **CAPITAL ASSETS**

The School's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$57,907 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures, and equipment, and leasehold improvements. Additional information regarding the School's capital assets can be found in the notes to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the School in fiscal year 2015 include:

- Continued funding from FEFP.
- Expected increase in enrollment.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Advantage Academy Santa Fe Charter School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Charter School Associates, Inc., 12524 W. Atlantic Blvd., Coral Springs, FL 33071.

**ADVANTAGE ACADEMY SANTA FE CHARTER SCHOOL  
(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF MIAMI, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**

*June 30, 2014*

	<u>Government Activities</u>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 284,119
Due From Other Agencies	19,576
Prepaid Expenses and Deposits	42,043
Capital Assets:	
Furniture, Fixtures, and Equipment, Net	38,952
Leasehold Improvements, Net	18,955
Total Capital Assets, Net	<u>57,907</u>
<b>TOTAL ASSETS</b>	<u><b>403,645</b></u>
<b>LIABILITIES</b>	
Accounts Payable	32,489
Wages and Benefits Payable	111,565
Short-Term Notes Payable	10,996
Long Term Liabilities:	
Note Payable, due within one year	13,195
<b>TOTAL LIABILITIES</b>	<u><b>168,245</b></u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	57,907
Unrestricted	177,493
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 235,400</b></u></u>

The accompanying notes to the financial statements are an integral part of this statement.

**ADVANTAGE ACADEMY SANTA FE CHARTER SCHOOL**  
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**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2014*

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Instruction	\$ 1,059,429	\$	\$	\$	\$ (1,059,429)	\$ (1,059,429)
Instruction & Curriculum Development	7,304				(7,304)	(7,304)
Instructional Related Technology	11,338				(11,338)	(11,338)
Board of Education	196,589				(196,589)	(196,589)
School Administration	181,202				(181,202)	(181,202)
Facilities Acquisition & Construction	401,914		16,339	124,053	(261,522)	(261,522)
Fiscal Services	104,994				(104,994)	(104,994)
Food Services	143,292	26,596	73,277		(43,419)	(43,419)
Operation of Plant	168,919				(168,919)	(168,919)
Maintenance of Plant	12,578				(12,578)	(12,578)
Community Service	51,299	98,963			47,664	47,664
Interest & Fiscal Charges	1,498				(1,498)	(1,498)
Unallocated Depreciation	16,783				(16,783)	(16,783)
<b>Total Governmental Activities</b>	<b><u>\$ 2,357,139</u></b>	<b><u>\$ 125,559</u></b>	<b><u>\$ 89,616</u></b>	<b><u>\$ 124,053</u></b>	<b><u>(2,017,911)</u></b>	<b><u>(2,017,911)</u></b>
General Revenues:						
State Sources					1,993,298	1,993,298
Grants and Contributions not restricted to specific program					1,340	1,340
Local and Other					53,487	53,487
					<u>2,048,125</u>	<u>2,048,125</u>
Change in Net Position					30,214	30,214
Net Position - July 1, 2013					205,186	205,186
Net Position - June 30, 2014					<u>\$ 235,400</u>	<u>\$ 235,400</u>

The accompanying notes to the financial statements are an integral part of this statement.

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**DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

***BALANCE SHEET - GOVERNMENTAL FUNDS***

***June 30, 2014***

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 284,119	\$	\$ 284,119
Due From Other Agencies	10,411	9,165	19,576
Due From Other Funds	5,653		5,653
Prepaid Expenses and Deposits	42,043		42,043
Total Assets	\$ 342,226	\$ 9,165	\$ 351,391
<b>LIABILITIES</b>			
Liabilities:			
Accounts Payable	\$ 30,135	\$ 2,354	\$ 32,489
Wages & Benefits Payable	110,407	1,158	111,565
Due To Other Funds		5,653	5,653
Short-Term Notes Payable	10,996		10,996
Total Liabilities	151,538	9,165	160,703
<b>FUND BALANCES</b>			
Nonspendable	42,043		42,043
Unassigned	148,645		148,645
Total Fund Balances	190,688	-	190,688
Total Liabilities and Fund Balances	\$ 342,226	\$ 9,165	\$ 351,391

The accompanying notes to the financial statements are an integral part of this statement.

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A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

*June 30, 2014*

<b>Total Fund Balances - Governmental Funds</b>	\$ 190,688
Amounts reported for governmental activities in the statement of net position are different because:	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of a notes payable.	(13,195)
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.	<u>57,907</u>
<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 235,400</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**ADVANTAGE ACADEMY SANTA FE CHARTER SCHOOL**  
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**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**

*For the Fiscal Year Ended June 30, 2014*

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Intergovernmental:			
Federal Through State and Local	\$ 1,340	\$ 73,277	\$ 74,617
State Sources	2,133,690		2,133,690
Local and Other	152,450	26,596	179,046
Total Revenues	<u>2,287,480</u>	<u>99,873</u>	<u>2,387,353</u>
<b>Expenditures</b>			
Current - Education:			
Instruction	1,059,429		1,059,429
Instruction & Curriculum Development	7,304		7,304
Instructional Related Technology	11,338		11,338
Board of Education	196,589		196,589
School Administration	181,202		181,202
Facilities Acquisition & Construction	401,914		401,914
Fiscal Services	104,994		104,994
Food Services		143,292	143,292
Operation of Plant	168,919		168,919
Maintenance of Plant	12,578		12,578
Community Service	51,299		51,299
Fixed Capital Outlay:			
Other Capital Outlay	3,346		3,346
Debt Service:			
Principal	25,805		25,805
Interest & Fiscal Charges	1,498		1,498
Total Expenditures	<u>2,226,215</u>	<u>143,292</u>	<u>2,369,507</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>61,265</u>	<u>(43,419)</u>	<u>17,846</u>
Other Financing Sources (Uses):			
Transfers In		43,419	43,419
Transfers (Out)	(43,419)		(43,419)
Total Other Financing Sources (Uses)	<u>(43,419)</u>	<u>43,419</u>	<u>-</u>
Net Change in Fund Balances	17,846	-	17,846
Fund Balances, July 1, 2013	172,842	-	172,842
Fund Balances, June 30, 2014	<u>\$ 190,688</u>	<u>\$ -</u>	<u>\$ 190,688</u>

The accompanying notes to financial statements are an integral part of this statement.

**ADVANTAGE ACADEMY SANTA FE CHARTER SCHOOL  
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 A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
 DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 TO THE STATEMENT OF ACTIVITIES  
 For the Fiscal Year Ended June 30, 2014**

<b>Net Change in Fund Balances - Governmental Funds</b>	\$	17,846
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense (\$16,783) in excess of capital outlays (\$3,346) in the current period.</p>		(13,437)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position.</p>		25,805
		25,805
<b>Change in Net Position - Governmental Activities</b>	<b>\$</b>	<b>30,214</b>
		<b>30,214</b>

The accompanying notes to the financial statements are an integral part of this statement.



**ADVANTAGE ACADEMY SANTA FE CHARTER SCHOOL  
(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF MIAMI, INC.)**

A Charter School and Component Unit of the District School Board of Miami-Dade County, Florida

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

➤ **Reporting Entity**

Advantage Academy Santa Fe Charter School, a charter school under Advantage Academy of Miami, Inc. ("School"), is a component unit of the School Board of Miami-Dade County, Florida. The School is sponsored by its charter-holder Advantage Academy of Miami, Inc. a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act and Section 1002.33, Florida Statutes in August 2005. The governing body of the School is the Board of Directors, which is comprised of not less than three members.

The basic 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 Advantage Academy of Miami, Inc. as of June 30, 2014, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Miami-Dade County, Florida, ("District"). The charter was granted starting for the 2010-11 school year and is effective until June 30, 2015 and is subject to annual review and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

**ADVANTAGE ACADEMY SANTA FE CHARTER SCHOOL  
(A CHARTER SCHOOL UNDER ADVANTAGE ACADEMY OF MIAMI, INC.)**

A Charter School and Component Unit of the District School Board of Miami-Dade County, Florida

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2014**

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund Financial Statements - Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.

The remaining governmental funds are reported in the aggregate.

➤ **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Deposits and Investments**

Cash and cash equivalents are defined as demand deposits, money market accounts, and short term investments with original maturities of eight months or less from date of acquisition. The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

The School's deposits must be placed with banks and savings and loans which are qualified as public depositories, prior to receipt of public monies, under Chapter 280, Florida statutes and the School's policy. The School maintains its cash accounts with one qualified public depository. The accounts routinely exceed the federally insured limit of \$250,000. Monies deposited in amounts greater than the insurance coverage are secured by the bank's pledging securities with the state treasurer in the collateral pool. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit or custodial.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5-10 years
Leasehold Improvements	20 years

➤ **Long-term Debt**

Long-term obligations that will be financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund. Current-year information relative to changes in long-term debt is described in subsequent notes.

➤ **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 then. The School does not have any items that qualify for reporting in this category.

➤ **Net Position and Fund Balance Classification**

*Government-wide Financial Statements*

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Financial Statements*

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB

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requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The School’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School’s charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual

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weighted full-time equivalent students (FTE) reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

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 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., Florida Statutes. For the fiscal year ended June 30, 2014, the School reported 300.38 unweighted FTE and 333.91 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). 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 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives federal or state 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 or state 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.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

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➤ **Recently Issued Accounting Principles**

In March 2012, the Government Accounting Standards Board (GASB) issued GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources and deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, GASB 65 reclassifies and recognizes certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. The requirements of GASB 65 were effective for the fiscal year 2014. The School does not have any items that qualify for reporting in this category.

➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of net position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

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**2. DUE FROM OTHER AGENCIES**

Amounts included in due from other agencies on the School's statement of net position and balance sheet – governmental funds consists of amounts recorded in the General Fund that are due from the Florida Department of Education under the charter school capital outlay program, as well as an amount due from the School Board of Miami-Dade County for FEFP funding, and amounts recorded in the Special Revenue Funds due from the Florida Department of Agriculture and Consumer Services for the National School Lunch Program. This receivable is considered fully collectible and therefore, no allowance for uncollectible accounts has been established.

**3. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At June 30, 2014, the School's Special Revenue Fund owed the General Fund \$5,653 for expenditures accrued under the food service program awaiting reimbursement. The General Fund transferred \$43,419 to the Special Revenue Fund to provide financial support for the School's food service operations. The amounts of interfund receivables, payables, and transfers are netted together and not reported in the statement of net position and statement of activities.

**4. CHANGES IN CAPITAL ASSETS**

Changes in capital assets are presented in the table below.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Furniture, Fixtures and Equipment	\$ 75,259	\$ 3,346	\$ -	\$ 78,605
Leasehold Improvements	22,281		-	22,281
Total Capital Assets Being Depreciated	<u>97,540</u>	<u>3,346</u>	<u>-</u>	<u>100,886</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(24,117)	(15,536)	-	(39,653)
Leasehold Improvements	(2,079)	(1,247)	-	(3,326)
Total Accumulated Depreciation	<u>(26,196)</u>	<u>(16,783)</u>	<u>-</u>	<u>(42,979)</u>
Governmental Activities Capital Assets, net	<u>\$ 71,344</u>	<u>\$ (13,437)</u>	<u>\$ -</u>	<u>\$ 57,907</u>

Unallocated depreciation expense for the fiscal year was \$16,783.



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**5. SHORT-TERM DEBT**

The School had short-term notes payable due on demand, bearing interest at a rate of 3%, to provide cash flow for operations at times of slow cash flow. Short-term debt activity for the year ended June 30, 2014 follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Note Payable - July 18, 2011	\$ 2,000	\$ -	\$ (1,323)	\$ 677
Notes Payable - October 20, 2011	30,500	-	(20,181)	10,319
Total Short-Term Notes Payable	<u>\$ 32,500</u>	<u>\$ -</u>	<u>\$ (21,504)</u>	<u>\$ 10,996</u>

**6. LONG-TERM DEBT**

All long-term debt represents amounts to be repaid from governmental activities. As of June 30, 2014, the Schools long-term debt consisted of the following notes payable:

<u>Charter School Associates, Inc. - Demand Notes Payable</u>	<u>6-30-14</u>
<p>Promissory Notes bearing a 3% interest rate maturing on demand by the lender. The borrower shall pay interest only at the note rate based on the outstanding principal loan balance as of the last day of the previous month. The outstanding principal loan balance and interest shall be due and payable in full on the maturity date which is the demand date.</p>	
	<u>\$ 13,195</u>

Amounts payable for the note payable follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2015	<u>\$ 13,312</u>	<u>\$ 13,195</u>	<u>\$ 117</u>
Total	<u>\$ 13,312</u>	<u>\$ 13,195</u>	<u>\$ 117</u>

**7. CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
GOVERNMENTAL ACTIVITIES:					
Notes Payable	\$ 39,000	\$ -	\$ (25,805)	\$ 13,195	\$ 13,195
Total Governmental Activities	<u>\$ 39,000</u>	<u>\$ -</u>	<u>\$ (25,805)</u>	<u>\$ 13,195</u>	<u>\$ 13,195</u>

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**NOTES TO FINANCIAL STATEMENTS  
June 30, 2014**

**8. SCHEDULE OF STATE REVENUE SOURCES**

The following is a schedule of the School's State revenue for the 2013-14 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 1,244,068
Class Size Reduction	420,641
Discretionary Millage	124,679
Charter School Capital Outlay	124,053
Supplementary Academic Instruction	100,446
Teacher Salary Allocation	56,138
Instructional Materials	22,736
Capital Outlay Admin.	16,339
ESE Guaranteed Allocation	11,054
Safe Schools	8,442
Florida Teachers' Lead Program	5,094
Total State Revenue	<u><u>\$ 2,133,690</u></u>

As provided in the charter school contract, the District has charged the School an administrative fee equal to \$81,078.

**9. FACILITY LEASE**

The School entered into a 10 year operating lease for its educational facility beginning January 1, 2011, through July 31, 2020. Rental expenditures under this lease agreement for the fiscal year were \$401,914.

The following is a schedule by years of future minimum rental payments required under the facility lease with remaining lease terms in excess of one year:

<u>Fiscal Year Ending June 30:</u>	<u>Minimum Lease Payments</u>
2015	\$ 423,691
2016	444,875
2017	467,119
2018	490,475
2019	514,998
2020	540,748
Total Minimum Lease Payments	<u><u>\$ 2,881,906</u></u>

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**NOTES TO FINANCIAL STATEMENTS  
June 30, 2014**

**10. OPERATING AGREEMENT**

The School entered into a contract for the period July 1, 2010, to June 30, 2015 with Charter School Associates (CSA). The contract calls for CSA to provide the School with marketing, curriculum design and implementation; student and staff recruiting; principal selection; and general management of the School's operations. An annual fee is to be 10% of the School's gross operating revenue less the School's administrative fee, to be paid in monthly installments and subject to a specified fiscal year ended fund balance. Fees under this agreement incurred to CSA during the year ended June 30, 2014 amounted to \$199,097.

**11. RELATED PARTY TRANSACTIONS**

The School is under contract for operating consulting services. The School received short-term loans of \$32,500 to provide cash for operations from the school consultant services company. As of June 30, 2014, the balance of these short-term loans was \$10,996. See Note 5 for additional information. In a previous fiscal year, the School received loans of \$39,000 to provide cash for operations, these demand notes are considered long-term loans as of the end of the current fiscal year. See Notes 6 and 7 for additional information regarding the long-term loans.

**12. PENSION PLAN**

The School participates in a defined contribution tax sheltered annuity 401(k) plan for employees with more than three months of service with the School. Contributions made by the School totaled \$7,342 for the year ended June 30, 2014. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements.

**13. RISK MANAGEMENT PROGRAMS**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**14. FUNDING AND CREDIT RISK CONCENTRATIONS**

The School receives substantially all of its support and revenue from federal, state and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2014**

**15. COMMITMENTS AND CONTINGENT LIABILITIES**

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2014, may be impaired.

In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**16. LEGAL MATTERS**

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. The School has no legal actions or pending proceedings in progress.

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**A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT**  
**SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - (Unaudited)**  
*For the Fiscal Year Ended June 30, 2014*

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental:				
Federal Through State and Local	\$	\$ 1,340	\$ 1,340	\$ -
State Sources	2,262,172	2,133,690	2,133,690	-
Local and Other	166,685	152,450	152,450	-
Total Revenues	<u>2,428,857</u>	<u>2,287,480</u>	<u>2,287,480</u>	<u>-</u>
<b>Expenditures:</b>				
Current - Education:				
Instruction	1,042,786	1,059,429	1,059,429	-
Instruction & Curriculum Development	17,214	7,304	7,304	-
Instructional Related Technology	20,847	11,338	11,338	-
Board of Education	184,069	196,589	196,589	-
School Administration	202,256	181,202	181,202	-
Facilities Acquisition & Construction	403,515	401,914	401,914	-
Fiscal Services	116,317	104,994	104,994	-
Operation of Plant	147,946	168,919	168,919	-
Maintenance of Plant	5,363	12,578	12,578	-
Community Service	46,509	51,299	51,299	-
Fixed Capital Outlay:				
Other Capital Outlay		3,346	3,346	-
Debt Service:				
Principal	47,309	25,805	25,805	-
Interest & Fiscal Charges	1,498	1,498	1,498	-
Total Expenditures	<u>2,235,629</u>	<u>2,226,215</u>	<u>2,226,215</u>	<u>-</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>193,228</u>	<u>61,265</u>	<u>61,265</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers (Out)		(43,419)	(43,419)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(43,419)</u>	<u>(43,419)</u>	<u>-</u>
Net Change in Fund Balance	193,228	17,846	17,846	-
Fund Balance, July 1, 2013	172,842	172,842	172,842	-
Fund Balance, June 30, 2014	<u>\$ 366,070</u>	<u>\$ 190,688</u>	<u>\$ 190,688</u>	<u>\$ -</u>

See Independent Auditor's Report.

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A Charter School and Component Unit of the District School Board of Miami-Dade County, Florida

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2014**

**1. BUDGETARY BASIS OF ACCOUNTING**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

Members:  
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709 W. Azelee St.  
Tampa, FL 33606  
office (813)892-4274 fax (813) 253-0951  
www.KingandWalker.com

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**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 of the Advantage Academy Santa Fe Charter School  
(A charter school under Advantage Academy of Miami, Inc.),  
a Charter School and Component Unit of the District  
School Board of Miami-Dade County, Florida

We have audited, in accordance with the 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, each major fund, and the aggregate remaining fund information of Advantage Academy Santa Fe Charter School, a charter school under Advantage Academy of Miami, Inc. ("School"), and a component unit of the District 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, and have issued our report thereon dated August 25, 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.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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 from material misstatement, we performed tests of 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**

The 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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, professional style.

August 25, 2014  
Tampa, Florida



Members:  
Florida Institute of CPAs  
American Institute of CPAs  
Government Audit Quality Center

709 W. Azelee St.  
Tampa, FL 33606  
office (813) 892-4274 fax (813) 253-0951  
www.KingandWalker.com

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**Management Letter as Required by Rules of the Florida Auditor General,  
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of the Advantage Academy Santa Fe Charter School  
(A charter school under Advantage Academy of Miami, Inc.),  
a Charter School and Component Unit of the District  
School Board of Miami-Dade County, Florida

**Report on the Financial Statements**

We have audited the financial statements of the Advantage Academy Santa Fe Charter School, a charter school under Advantage Academy of Miami, Inc. ("School"), and a component unit of the District 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 25, 2014.

**Auditor's Responsibility**

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.

**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 those reports and schedule, which are dated August 25, 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. The School did not have findings and recommendations made in the preceding annual financial 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 Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School 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 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 Advantage Academy Santa Fe Charter School.

### **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.

Respectfully submitted,

A handwritten signature in black ink that reads "King Q. Walker, CPAs". The signature is written in a cursive style.

August 25, 2014  
Tampa, Florida