

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
A CHARTER SCHOOL
AND COMPONENT UNIT
OF THE MIAMI-DADE COUNTY
SCHOOL BOARD
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2012**

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
MIAMI-DADE COUNTY DISTRICT SCHOOL BOARD
JUNE 30, 2012**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Academir Charter Schools, Inc.
D/B/A Academir Charter School West
Miami, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Academir Charter Schools, Inc. D/B/A Academir Charter School West (the "Charter School"), which is a component unit of the Miami-Dade County District School Board, Miami, Florida, as of, and for the year ended June 30, 2012, which collectively comprises the Charter School's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Charter School's management. Our responsibility is to express opinions on these basic financial statements based on our audits.

We conducted our audits 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 and the provision of Chapter 10.850, Charter School's audit, issued by the Auditor General of the State of Florida. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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 Charter School, as of June 30, 2012, 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.

INDEPENDENT AUDITORS' REPORT - Continued

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2012, on our consideration of the Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-9 and 31-32 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.

Gardner & Associates, PA

Miami, Florida
August 29, 2012

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2012**

As management of the Academir Charter Schools, Inc. D/B/A Academir Charter School West (the "Charter School"), we offer readers of the Charter School's financial statements this narrative overview and analysis of the financial activities of the Charter School for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here through page 9 of this report.

Overview of the financial statements

The discussion and analysis is intended to serve as an introduction to the Charter School's basic financial statements. The Charter School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 statement of net assets and the statement of activities, are designed to provide readers with a broad overview of the Charter School's finances, in a manner similar to a private sector business.

The statement of net assets provides information on all the Charter School's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Charter School is improving or deteriorating. However, as a governmental entity, the Charter School's activities are not geared towards generating profit as are the activities of commercial entities. Other factors such as the safety at the Charter School and quality of education, must be considered in order to reasonably assess the Charter School's overall performance.

The statement of activities presents information showing how the Charter School's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue 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 11-12 of this report.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2012**

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 Charter School, like other state and local governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Charter School has only 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 on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Charter School's near-term financing requirements.

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 Charter School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 18-25 of this report.

Supplementary Information

In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Charter School's adopted budget to actual results.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2012**

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of financial position. The following table presents an analysis of the condensed government-wide statements of net assets:

	June 30, 2012
Current assets	748,011
Noncurrent assets	
Capital assets, net of depreciation	280,584
Total assets	1,028,595
Current liabilities	\$ 374,586
Net Assets	
Unrestricted	654,009
Total Net Assets	\$ 654,009

At the end of the fiscal year, the Charter School is able to report a positive balance in the categories of net assets with a net increase for the year. The Charter School's net assets reflect its investment in capital assets (e.g. buildings, building improvements, furniture, fixtures and equipment), net of related debt. The Charter School uses its capital assets to provide services to students. Consequently, these assets are not available for future spending.

Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2012, the Charter school had no restricted assets. The remaining unrestricted balance may be used in any of the Charter School's ongoing operations.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2012**

Government-wide Financial Analysis - Continued

The following table presents information on the condensed government-wide statements of changes in net assets:

	2012
Revenues:	
General revenues	\$ 3,566,903
Program revenues:	
Charges for services	436,492
Operating grants and contributions	324,431
Total revenues	4,327,826
Expenses:	
Instruction	1,709,948
Pupil personnel services	9,835
Instructional media services	-
Instruction and Curriculum Development Service	66,667
Instructional staff training services	2,915
Board	20,223
General administration	495,964
School administration	202,444
Facilities Acquisition and Construction	720,114
Fiscal services	50,087
Food services	146,163
Pupil transportation	4,597
Operation of plant	210,341
Maintenance of plant	32,474
Interest on long-term debt	13,216
Unallocated depreciation expense	73,326
Total expenses	3,758,314
Change in net assets	569,512
Net assets, beginning	84,497
Net assets, ending	\$ 654,009

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2012**

Government-wide financial analysis - Continued

- Presently there are 589 students in grades kindergarten to 5th grade. Revenues are based on the amount received per student from the State through the School Board of Miami-Dade County.
- Expenses for instruction are the result of teachers' salaries and related benefits, and also materials and supplies that directly impact student learning.
- School administration is due primarily to administrator and other administrative personnel and related benefits as well as administrative costs.
- Expense for pupil transportation services is due to the transportation of students to and from school.
- Plant operations expenses consist of utilities, communications, insurance cost, support personnel and related benefits.

Financial Analysis of the Charter School's Funds

As noted earlier, the Charter School uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. The focus of the Charter School's governmental funds is to provide information on near-term inflows, outflows and spendable resources. Such information is useful in assessing the Charter School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Charter School's net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2012 the Charter School's governmental fund reported a positive ending fund balance of \$ 373,425.

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2012

Budgetary Highlights

Prior to the start of the School's fiscal year, the Board of directors of the School adopted an annual budget. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the School's budget. Budget to actual comparisons for fiscal year 2012 are presented on Page 23.

Variances reported in the budget to actual comparison for fiscal year 2012 resulted primarily from the following:

2012-

- In fiscal year, the enrollment was projected at 590 and the Charter School met the budget projection.
- The instruction expenditure was less than budgeted because less teachers were hired than what was initially projected.
- The instruction and curriculum development services expenditure exceeded the budget by \$66,667 due to those dollars being used on instructional staff training services instead.
- The school administration expenditure was less than budget due to the fact that less staff was needed than what had been projected.
- In general, most expenses were lower than the amount budgeted.

Capital Assets and Debt Administration

As of June 30, 2012 the Charter School had investment in capital assets of \$280,984. This amount is net of accumulated depreciation of \$86,047. Capital assets additions in the current year include new computers and furniture.

The Charter School has outstanding debt of \$205,444.

Economic Factors

During fiscal year 2012, the Charter School experienced an increase in its net assets. (The 2011/2012 gain was approximately over 200%). The major contributing factors were increase in enrollment. The Charter School also received additional funds from grants and contributions.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2012**

School Enrollment

During the fiscal years June 30, 2012, the grade levels at the Charter School ranged from Grade K through Grade 5, with a total enrollment of 589 students.

Requests for Information

The financial report is designed to provide a general overview of the Charter School's finances for all those with an interest in the School's finances. Questions concerning any of the information should be addressed to Dr. Tirso Alonso, Board Chair, 14880 SW 26th Street, Miami, FL 33185.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST**

A CHARTER SCHOOL AND COMPONENT UNIT OF THE MIAMI-DADE

COUNTY DISTRICT SCHOOL BOARD

BASIC FINANCIAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2012

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
STATEMENT OF NET ASSETS
JUNE 30, 2012**

	<u>Governmental Activities</u>
Assets	
Cash	\$ 737,679
Accounts receivable	6,679
Deposit receivable	3,653
	<u>748,011</u>
Furniture, fixtures and equipment	366,631
Less accumulated depreciation	(86,047)
	<u>280,584</u>
 Total Assets	 <u>\$ 1,028,595</u>
Liabilities	
Accounts payable	97,189
Salaries and wages payable	71,953
Notes payable	205,444
Total liabilities	<u>\$ 374,586</u>
Net Assets	
Invested in capital assets, net of related debt	\$ 75,140
Unrestricted	578,869
	<u>654,009</u>
 Total Net Assets	 <u>\$ 654,009</u>

The accompanying notes are an integral part of these statements

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
STATEMENT OF ACTIVITIES
JUNE 30, 2012

	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Assets
Governmental activities					
Instruction	\$ 1,709,948	\$ 361,340	\$ 198,472	\$ -	\$ (1,150,136)
Pupil personnel services	9,835	-	-	-	(9,835)
Instructional media services	-	-	-	-	-
Instruction and Curriculum Development	66,667	-	-	-	(66,667)
Instructional Staff Training Services	2,915	-	-	-	(2,915)
Board	20,223	-	-	-	(20,223)
General administration	495,964	-	-	-	(495,964)
School administration	202,444	-	-	-	(202,444)
Facilities Acquisition and Construction	720,114	-	-	-	(720,114)
Fiscal services	50,087	-	-	-	(50,087)
Food services	146,163	75,152	125,959	-	54,948
Pupil transportation	4,597	-	-	-	(4,597)
Operation of plant	210,341	-	-	-	(210,341)
Maintenance of plant	32,474	-	-	-	(32,474)
Interest on long-term debt	13,216	-	-	-	(13,216)
Unallocated depreciation expense	73,326	-	-	-	(73,326)
	<u>\$ 3,758,314</u>	<u>\$ 436,492</u>	<u>\$ 324,431</u>	<u>\$ -</u>	<u>\$ (2,997,391)</u>
General revenues:					
					3,566,903
School Board of Miami- Dade County - FTE					3,566,903
Miscellaneous					-
					3,566,903
					569,512
Change in net assets					569,512
					84,497
Net assets - beginning					84,497
					\$ 654,009
Net assets - ending					\$ 654,009

The accompanying notes are an integral part of these statements

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST**

A CHARTER SCHOOL AND COMPONENT UNIT OF THE MIAMI-DADE

COUNTY DISTRICT SCHOOL BOARD

FUND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2012**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 702,503	\$ 35,176	\$ 737,679
Accounts receivable	6,679		6,679
Deposits receivable	3,653	-	3,653
	<u>3,653</u>	<u>-</u>	<u>3,653</u>
Total Assets	<u>\$ 712,835</u>	<u>\$ 35,176</u>	<u>\$ 748,011</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	97,189	-	97,189
Salaries and wages payable	71,953	-	71,953
Notes Payable	205,444	-	205,444
	<u>205,444</u>	<u>-</u>	<u>205,444</u>
Total liabilities	<u>\$ 374,586</u>	<u>\$ -</u>	<u>\$ 374,586</u>
 Fund Balances:			
Unassigned	<u>338,249</u>	<u>35,176</u>	<u>373,425</u>
Total fund balances	<u>338,249</u>	<u>35,176</u>	<u>373,425</u>
Total Liabilities and Fund Balances	<u>\$ 712,835</u>	<u>\$ 35,176</u>	<u>\$ 748,011</u>

The accompanying notes are an integral part of these statements

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2012**

Total fund balances- Governmental funds	\$	373,425
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Amounts reported for governmental activities in the Statement of Net
Assets are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds.

Cost of capital assets	\$	366,631
Accumulated depreciation		(86,047)
		280,584

Total net assets - governmental activities	\$	654,009
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The accompanying notes are an integral part of these statements

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE – GOVERNMENTAL FUND
JUNE 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Miami-Dade County Public Schools	\$ 3,566,903	\$ -	\$ 3,566,903
Other grants	11,864	317,798	329,662
Other revenue	356,109	75,152	431,261
	<u>3,934,876</u>	<u>392,950</u>	<u>4,327,826</u>
Expenditures			
Instruction	1,604,861	100,590	1,705,451
Pupil personnel services	9,835	-	9,835
Instructional media services	-	-	-
Instruction and Curriculum Development Service	-	66,667	66,667
Instructional Staff Training Services	2,915	-	2,915
Board	20,223	-	20,223
General administration	494,508	1,456	495,964
School administration	161,770	-	161,770
Facilities Acquisition and Construction	720,114	-	720,114
Fiscal services	49,904	184	50,088
Food services	535	145,628	146,163
Pupil transportation	4,598	-	4,598
Operation of plant	253,510	2,000	255,510
Maintenance of plant	32,474	-	32,474
Interest on long-term debt	13,216	-	13,216
Capital outlay:			
Furniture & equipment	261,775	41,249	303,024
Total current expenditure	<u>3,630,238</u>	<u>357,774</u>	<u>3,988,012</u>
Revenues over expenditures	304,638	35,176	339,814
Fund balance, beginning of year	33,611	-	33,611
Fund balance, end of year	<u>\$ 338,249</u>	<u>\$ 35,176</u>	<u>\$ 373,425</u>
Total net changes in fund balance - governmental funds			\$ 373,425

The accompanying notes are an integral part of these statements

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES
JUNE 30, 2012**

Total net changes in fund balance - governmental funds	\$	339,814
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Amounts reported for governmental activities in the statement of net assets are different because:

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.

Cost of capital assets purchased	\$	303,024
Provision for depreciation		(73,326) 229,698
		<u>229,698</u>

Change in net assets of governmental activities	\$	<u>569,512</u>
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The accompanying notes are an integral part of these statements

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – ORGANIZATION AND OPERATIONS

Nature of Operations

Academir Charter School, Inc. (the “Charter School”) 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 Charter School operates under a Charter approved by its sponsor, the Miami-Dade County District School Board. The governing body of the Charter School is the not-for-profit corporation’s Board of Directors which is composed of three (3) members.

The Charter School provides educational services to students in grades kindergarten through fifth. The core philosophy and purpose of the Charter School is to demonstrate that the Charter School’s students can learn at high levels through an academically rigorous and innovative curriculum that incorporates the development of good character.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity:

The Charter School operates under a charter of the sponsoring school district, Miami-Dade County District School Board (the “District”). The current charter is effective until June 30, 2014, and may be renewed in increments of 5 to 15 years by mutual agreement between the Charter School and the District. At the end of the term of the charter, the District may choose not to renew the charter under the grounds specified in the charter in which case the District is required to notify the Charter 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. Academir Charter School, Inc. is considered a component unit of the Miami-Dade County District School Board.

Criteria of determining if other entities are potential component units which should be reported within the Charter School’s financial statements are identified and described in the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the Charter School is financially accountable and other organizations for which the nature and significance of their relationship with the

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Charter School's are such that exclusion would cause the Charter School's financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Charter School.

Basis of Presentation:

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audit for States and Local Governments and provisions of Florida Statutes, the Charter School is presented as a governmental organization for financial statement reporting purposes.

Government-wide Financial Statement:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all activities of the Charter School. The effect of interfund activity, generally, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) operating grants and contributions that are used to meet the operational requirements of a particular function or program, and 2) capital grants and contributions that are restricted to meeting the capital requirements of a particular function or program.

Fund financial statements:

The Charter School accounts are organized on the basis of funds. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

General Fund – is the School's primary operating fund. It account for all financial resources of the school, except those required to be accounted for in another fund.

Special Revenue Fund – accounts for specific revenue, such as federal grants and capital outlay grants that are legally restricted to expenditures for particular purposes.

Agency Fund – accounts for resources of the School's Internal Fund, which is used to administer monies collected at the schools in connection with school, student athletics, class, and club activities.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus, Basis of Accounting:

The financial statements of the Charter School are prepared in accordance with generally accepted accounting principles (GAAP). The Charter School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to GASB Codification Section 1600.111 and Section N50 Accounting and Financial Reporting for Non-Exchange Transactions. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have satisfied.

The governmental fund financial statement are presented on the modified accrual basis of accounting under which revenues is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Charter School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Capital assets

Capital assets, which include land, buildings, building improvements, furniture and fixtures, equipment and library books are reported in the applicable governmental activities in the government-wide financial statements. Capital assets are defined by the Charter School as assets with an initial, individual cost of more than \$500 and a life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Estimated useful lives, in years, for depreciable assets are as follows:

Building and improvements	5-20 years
Furniture, equipment and computers	5 years

Donated capital assets, if any, are recorded at estimated fair value at the date of donation.

Within governmental funds, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported within the governmental fund financial statements.

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS

Due from Other Governments or Agencies

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

Revenue Sources

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

The Charter School also receives Federal funding for the school food program. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenues is recognized to the extent that eligible expenditures have been incurred. Also, other revenues may be derived from various fundraising activities and certain other programs.

Compensated Absences

The Charter School grants a specific number of sick days. Full time instructional employees are eligible to one day per month to up to ten days of active work.

GASB Codification Section C60, Accounting for Compensated Absences, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place.

Accordingly, these financial statements do not include an accrual for sick days available to be used in future benefit years.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

Unearned/deferred revenues:

Resources that do not meet revenues recognition requirements (not earned) are recorded as unearned revenues in the government-wide and the fund financial statements. In addition, amounts related to governmental fund receivables that are measurable, but not available (not received within 90 days from fiscal year end), are recorded as deferred revenues in the governmental fund financial statements.

Equity classifications:

Government-wide financial statement

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowing that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – consists of net assets 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. There are no restricted net assets.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 requires the fund balance amounts to be properly reported within one of the fund balance categories list below:

- a. 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 related to not in spendable asset form.
- b. Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource provider, or through enabling legislation. Restricted fund balance of the School relate to reserves required by the landlord for property maintenance and repairs.

Fund financial statements - continued

- c. Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Charter School’s Board of Director. There are no committed fund balances at year end.
- d. Assigned – fund balance classification are intended to be used by the Charter School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- e. Unassigned – fund balance is the residual classification for the Charter school’s general fund and includes all spendable amounts not contained in the other classification,

Encumbrances

Encumbrances represent commitments relating to unperformed contracts for goods or services. At June 30, 2012, there were no encumbrances outstanding.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition of disclosure through August 29, 2012, which is the date the financial statements were available to be issued.

NOTE 3 - CASH AND CERTIFICATE OF DEPOSIT

As of June 30, 2012, the bank balance was \$ 737,679. The bank balance did exceed the FDIC limit as of June 30, 2012.

The Charter School is operated under a Charter sponsored by the Miami-Dade County School District as described in Note 1. Accordingly, its bank deposits are governed by Chapter 280 of the Florida Statutes. All time and demand deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral having a market value equal to an amount from 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held.

The percentage of eligible collateral (generally, U.S. Government and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its financial condition. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. Therefore, all cash deposits in an approved Florida banking institution are both collateralized and insured and not subject to a concentration of credit risk or a custodial credit risk as defined in Government Accounting Standards Board ("GASB") Statement No. 40. The Charter School has no monetary assets other than cash in an approved depository.

**ACADEMIR CHARTER SCHOOLS, INC. D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 4 – CAPITAL ASSETS

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Furniture, Fixtures, and Equipment	63,607	\$ 303,024	-	\$ 366,631
	<u>63,607</u>	<u>303,024</u>	<u>-</u>	<u>366,631</u>
Less: Accumulated Depreciation	12,721	73,326	-	86,047
	<u>12,721</u>	<u>73,326</u>	<u>-</u>	<u>86,047</u>
Total	<u>50,886</u>	<u>\$ 229,698</u>	<u>-</u>	<u>\$ 280,584</u>

The provision for depreciation for the year ended June 30, 2012 amounted to \$86,047.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Charter School’s facility is owned by Castellanos at Coral Way and is leasing its premises from them. The lease term is five years and expires on June 30, 2015. Total fees paid to Castellanos at Coral Way for the fiscal year 2012 were approximately \$698,592. Future minimum lease payments are approximately \$ 639,376, and \$652,164 respectively for the next two years.

NOTE 6 – RISK MANAGEMENT

The Charter School is exposed to various risks of loss related to torts, thefts of damage to and destruction of assets, errors and omissions and natural disasters for which the Church carries commercial insurance.

NOTE 7- RELATED PARTY

In accordance with the Charter Agreement, the School Board of Miami-Dade County retains 5% as an administrative fee. This funding is received on a pro rata basis over the twelve-month period and is adjusted for changes in full-time equivalent student population. After review and verification of Full-Time Equivalent (“FTE”) reports and supporting documentation, the Florida Department of Education may adjust subsequent fiscal period allocations of FTE funding for prior year’s errors disclosed by its review as well as to prevent the statewide allocation from exceeding the amount authorized by the State Legislature.

SUPPLEMENTARY INFORMATION

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variances Positive (Negative)
Revenues:				
State sources	\$ 3,103,770	\$ 3,562,557	\$ 3,566,903	\$ 4,346
Operating grants and contributions	355,388	326,633	324,431	(2,202)
Charges for services	5,000	324,000	436,492	112,492
Total revenues	<u>3,464,158</u>	<u>4,213,190</u>	<u>4,327,826</u>	<u>114,636</u>
Instruction	1,810,080	1,931,839	1,709,948	221,891
Pupil Personnel Services	25,000	15,000	9,835	5,165
Instructional Media Services	-	-	-	-
Instruction and Curriculum Development Service	-	-	66,667	(66,667)
Instructional Staff Training Services	80,000	63,000	2,915	60,085
Board	9,000	35,000	20,223	14,777
General Administration	309,316	504,440	495,964	8,476
School Administration	231,058	256,900	202,444	54,456
Facilities Acquisition and Construction	607,490	732,511	720,114	12,397
Fiscal Services	24,900	50,200	50,087	113
Food Services	217,971	125,000	146,163	(21,163)
Pupil transportation services	-	2,000	4,597	(2,597)
Operation of Plant	120,400	275,000	210,341	64,659
Maintenance of Plant	18,000	30,000	32,474	(2,474)
Unallocated depreciation	-	-	73,326	(73,326)
Interest Expenses	-	-	13,216	(13,216)
Total expenditure	<u>3,453,215</u>	<u>4,020,890</u>	<u>3,758,314</u>	<u>262,576</u>
Excess of revenues over expenditures	<u>\$ 10,943</u>	<u>\$ 192,300</u>	<u>\$ 569,512</u>	<u>\$ 377,212</u>

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO SUPPLEMENTARY INFORMATION

NOTE A.

The Charter School formally adopted a budget for the year ended June 30, 2012. Budgeted amounts may be amended by resolution or ordinance by the Board. 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 budgeted amounts for the General Fund is presented as supplementary information.

NOTE B.

The budget is adopted using the same basis of accounting on which the financial statements are prepared except for a 5% administrative charge that is retained by the School Board of Miami-Dade County.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
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
Academir Charter Schools, Inc.
D/B/A Academir Charter School West
Miami, Florida

We have audited the basic financial statements of the governmental activities and each major fund of Academir Charter Schools, Inc. D/B/A Academir Charter School West (the "Charter School"), a component unit of the Miami-Dade County District School Board, as of and for the year ended June 30, 2012, and have issued our report thereon dated August 29, 2012. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Charter School's internal control over financial reporting as a basis for designing our auditing procedures of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the paragraph of this section and would not necessarily identified all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, the Miami-Dade County District School Board and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Gardner & Associates, PA

Miami, Florida
August 29, 2012

**MANAGEMENT LETTER
REQUIRED BY CHAPTER 10.850 RULES OF THE AUDITOR GENERAL OF
THE STATE OF FLORIDA**

To the Board of Directors
Academir Charter Schools, Inc.
D/B/A Academir Charter School West
Miami, Florida

We have audited the financial statements of Academir Charter School, Inc. D/B/A Academir Charter School West (the “Charter School”) as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated August 29, 2012.

We conducted our audit in accordance with generally accepted auditing standards, and *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 29, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.850, *Rules of the Auditor General*, which governs the conduct of charter school and similar entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports.

1. 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. We did not have any such findings.
2. 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.
3. Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

4. Section 10.854(1)(e)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.
5. Section 10.854(1)(e)6, Rules of the Auditor General, requires the name or official title of the school. The official title of the school is Academir Charter School West.
6. Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to 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 Charter School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
7. Pursuant to Sections 10.854(1)(e)7.a. and 10.855(11), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Charter School's financial condition; our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

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

Gardner & Associates, PA

Miami, Florida
August 29, 2012