

**FLORIDA HIGH SCHOOL FOR ACCELERATED  
LEARNING – GREATER MIAMI CAMPUS, INC.  
d/b/a NORTH GARDENS HIGH SCHOOL**

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

**Financial Statements  
with Independent Auditors' Reports Thereon**

**June 30, 2013**



**M<sup>c</sup>CRADY | HESS | RUTH**  
CERTIFIED PUBLIC ACCOUNTANTS

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**FLORIDA HIGH SCHOOL FOR ACCELERATED  
LEARNING – GREATER MIAMI CAMPUS, INC.  
d/b/a NORTH GARDENS HIGH SCHOOL**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

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Management of Florida High School for Accelerated Learning – Greater Miami Campus, Inc. d/b/a North Gardens High School (the “School”) offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2013.

Management’s discussion and analysis is included at the beginning of the School’s basic financial statements to provide the past and current position of the School’s financial condition. This summary should not taken as a replacement for the audit, which consist of the basic financial statements and other supplemental information.

**FINANCIAL HIGHLIGHTS**

- ❖ For the fiscal year ended June 30, 2013, the School’s revenues exceeded expenses by approximately \$83,000, which is an improvement from prior year when expenses exceeded revenues by approximately \$59,000.
- ❖ The School is managed by Accelerated Learning Solutions, Inc. through a management agreement.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to School’s basic financial statements. The School’s basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the understanding of the financial condition of School. This document also includes the Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance With *Government Auditing Standards*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide a broad overview of the School’s finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the School’s financial status as a whole.

The two government-wide statements report the School’s net assets and the current year changes. Net assets are the difference between the School’s total assets and total liabilities. Measuring net assets is one way to evaluate the School’s financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include the School's basic services. The business-type activities are those services that the School charges for that are not directly related to the School's mission. For the year ended June 30, 2013, the School had no business-type activities or component units.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. All of the operations of the School are presented in governmental funds only.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The School's basic services are accounted for in governmental funds. These funds focus on how assets that can readily be converted into cash flow in and out, and what monies are left at year-end will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements provide a detailed short-term view of the financial resources available to finance the School's programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in reconciliations that is a part of the fund financial statements.

The School adopts an annual budget for its general fund, as required by the Florida Statutes. The budget is legally adopted by management of the School and its Board. A budgetary comparison schedule has been included as part of the required supplementary information. The budgetary comparison schedules show four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges and ending balances in the general fund, and 4) the variance between the final budget and the actual resources and charges.

## **Notes to Financial Statements**

The notes to financial statements provide additional information essential to the full understanding of the information reported in the government-wide and fund financial statements. The notes to the financial statements start on page 15 of this report.

This report also includes the Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

## GOVERNMENT-WIDE ANALYSIS OF THE SCHOOL

The School's combined net assets as of June 30, 2013 are summarized as follows:

	<b>Governmental Activities</b>		<b>Increase</b>
	<b>2013</b>	<b>2012</b>	<b>(Decrease)</b>
Current and other assets	\$ 224,649	\$ 730,088	\$ (505,439)
Capital assets, net	193,556	199,462	(5,906)
Total assets	418,205	929,550	(511,345)
Current and other liabilities	340,761	725,933	(385,172)
Long-term liabilities	53,133	262,600	(209,467)
Total liabilities	393,894	988,533	(594,639)
Net assets:			
Invested in capital assets, net of related debt	140,423	(52,519)	192,942
Restricted:			
Capital purchases or debt services	-	10,619	(10,619)
Unrestricted	(116,112)	(17,083)	(99,029)
Total net assets	\$ 24,311	\$ (58,983)	\$ 83,294

The decrease in current assets and other liabilities is due to the timing of payments to the School's management company. The decrease in capital assets is a result of the current year depreciation expense exceeded current year capital additions. Long-term liabilities decreased due to the current year principal payments on the note payable. The change in total net assets is due to the current year operating surplus.

## Change in Net Assets

The School's total revenues exceeded expenses by approximately \$83,000 in fiscal 2013 —see table below.

	<b>Governmental Activities</b>		<b>Increase</b>
	<b>2013</b>	<b>2012</b>	<b>(Decrease)</b>
Revenues:			
Federal sources passed through			
local school district	\$ 212,092	\$ 74,719	\$ 137,373
State and local sources	2,118,719	1,762,408	356,311
Total revenues	2,330,811	1,837,127	493,684
Expenses:			
Instruction	559,649	489,906	69,743
Pupil personnel services	194,141	138,663	55,478
Board	48,932	19,884	29,048
General administration	69,821	67,581	2,240
School administration	598,011	524,875	73,136
Central services	5,722	22,928	(17,206)
Transportation	91,618	63,968	27,650
Operation of plant	551,710	462,221	89,489
Maintenance of plant	109,481	87,467	22,014
Interest	18,432	18,617	(185)
Total expenses	2,247,517	1,896,110	351,407
Changes in net assets	\$ 83,294	\$ (58,983)	\$ 142,277

Federal revenue increased primarily due to additional funds received from the School's federal start-up grant. The increase in state and local sources is due to an overall increase in student enrollment.

The School experienced overall increases in instruction, pupil personnel services and school administration due to an increase in personnel and other costs to serve the increase in student enrollment. General administration increased due to the total amounts subject to the School Board's administrative fee, which is based on FEFPP revenue. Operation of plant increased due to an increase in utility and general maintenance costs related to the School's facility.

## FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As the School completed the year, its governmental funds reported a combined fund deficit of \$116,112.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of fiscal 2013, the School invested \$193,556 in capital assets, net of accumulated depreciation of \$116,517.

	<b>Governmental Activities</b>		<b>Increase</b>
	<b>2013</b>	<b>2012</b>	<b>(Decrease)</b>
Leasehold Improvements	\$ 106,383	\$ 106,383	\$ -
Furniture, fixtures and equipment	203,690	145,598	58,092
	<u>310,073</u>	<u>251,981</u>	<u>58,092</u>
Less - accumulated depreciation	<u>(116,517)</u>	<u>(52,519)</u>	<u>(63,998)</u>
Total capital assets	<u>\$ 193,556</u>	<u>\$ 199,462</u>	<u>\$ (5,906)</u>

This year's major capital asset additions included the following:

- Smart boards - \$3,870
- Computer network equipment - \$36,471
- Computers and printers - \$7,600

More detailed information about the School's capital assets is presented in Note 3 to the financial statements.

#### Long-Term Liabilities

Long-term liabilities decreased by approximately \$209,000 due to the current year principal payments. Interest paid during the fiscal year June 30, 2013 was approximately \$18,000. More detailed information about the School's long-term liabilities is presented in Note 4 to the financial statements.

### GENERAL FUND BUDGETARY HIGHLIGHTS

In the general fund, actual revenues exceeded budgeted amounts by approximately \$152,000, primarily due to actual student enrollment exceeded budgeted enrollment. Actual expenditures were approximately \$126,000 more than budgeted amounts, exclusive of other financing sources (uses).

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

### **Budget Highlights for the Fiscal Year Ending June 30, 2014**

Amounts available for appropriation in the general fund are approximately \$1.96 million, a slight decrease from the actual 2013. The change is contributed to management preparing the budgets with a slightly lower student population than actual enrollment.

Budgeted expenditures are expected to decrease slightly to approximately \$1.80 million from the fiscal 2013 actual amount. The change is due to an overall decrease in start-up operating expenditures now the School is entering its third year of operations. The School added no new programs to the fiscal 2014 budget. If these estimates are realized, the School's general fund balance is expected to increase at the conclusion of fiscal 2014.

### **CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact Accelerated Learning Solutions, Inc., 2636 Elm Hill Pike, Suite 500 Nashville, TN 37214.





## **Report of Independent Auditors on Basic Financial Statements and Supplementary Information**

To the Board of Directors of Florida High School for Accelerated Learning – Greater Miami Campus, Inc. d/b/a North Gardens High School, a Charter School and Component Unit of the District School Board of Miami-Dade County, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Florida High School for Accelerated Learning – Greater Miami Campus, Inc. d/b/a North Gardens High School, a Charter School and Component Unit of the District School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2013, 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.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinion***

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, 2013, and the respective changes in financial position, thereof for the year then ended in accordance 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 and budgetary comparison information on pages 1-6 and 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2013, 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, 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.

*MC CRADY, HESS + RUTH*

Maitland, Florida  
August 21, 2013

2600 Lake Lucien Drive, Suite 405 ■ Maitland, FL 32751  
Office 407-478-4020 ■ Fax 407-478-4021 ■ [cpa@mhrcpas.com](mailto:cpa@mhrcpas.com) ■ [www.mhrcpas.com](http://www.mhrcpas.com)

**FLORIDA HIGH SCHOOL FOR ACCELERATED  
LEARNING - GREATER MIAMI CAMPUS, INC.  
d/b/a NORTH GARDENS HIGH SCHOOL**

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

**Statement of Net Assets**

**JUNE 30, 2013**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 207,647
Due from other agencies	17,002
Capital assets:	
Leasehold improvements	106,383
Furniture, fixtures and equipment	203,690
Less accumulated depreciation	<u>(116,517)</u>
Total capital assets, net	<u>193,556</u>
Total assets	<u><u>\$ 418,205</u></u>
<b>LIABILITIES</b>	
Due to management company	\$ 340,761
Long-term liabilities:	
Portion due or payable within one year:	
Note payable	<u>53,133</u>
Total liabilities	<u>393,894</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	140,423
Unrestricted	<u>(116,112)</u>
Total net assets	<u>24,311</u>
Total liabilities and net assets	<u><u>\$ 418,205</u></u>

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

**FLORIDA HIGH SCHOOL FOR ACCELERATED  
LEARNING - GREATER MIAMI CAMPUS, INC.  
d/b/a NORTH GARDENS HIGH SCHOOL**

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

**Statement of Activities**

**For the Year Ended June 30, 2013**

		<b>Program Specific Revenues</b>			<b>Net (Expenses) Revenues and Changes in Net Assets</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>
Governmental Activities:					
Instruction	\$ 559,649	\$ -	\$ 163,956	\$ -	\$ (395,693)
Pupil personnel services	194,141	-	-	-	(194,141)
Board	48,932	-	-	-	(48,932)
General administration	69,821	-	-	-	(69,821)
School administration	598,011	-	195	-	(597,816)
Central Services	5,722	-	-	-	(5,722)
Transportation	91,618	-	-	-	(91,618)
Operation of plant	551,710	-	-	132,402	(419,308)
Maintenance of plant	109,481	-	-	-	(109,481)
Interest	18,432	-	-	-	(18,432)
Total primary government	<u>\$ 2,247,517</u>	<u>\$ -</u>	<u>\$ 164,151</u>	<u>\$ 132,402</u>	<u>(1,950,964)</u>
General revenues:					
Federal sources					47,941
State and local sources					<u>1,986,317</u>
Total general revenues					<u>2,034,258</u>
Changes in net assets					83,294
Net assets at beginning of year					<u>(58,983)</u>
Net assets at end of year					<u>\$ 24,311</u>

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

**FLORIDA HIGH SCHOOL FOR ACCELERATED  
LEARNING - GREATER MIAMI CAMPUS, INC.  
d/b/a NORTH GARDENS HIGH SCHOOL**

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

**Balance Sheet - Governmental Funds**

**June 30, 2013**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 207,647	\$ -	\$ 207,647
Due from other agencies		17,002	17,002
Due from capital projects fund	17,002	-	17,002
Total assets	<u>\$ 224,649</u>	<u>\$ 17,002</u>	<u>\$ 241,651</u>
<b>LIABILITIES</b>			
Due to management company	\$ 340,761	\$ -	\$ 340,761
Due to general fund	-	17,002	17,002
Total liabilities	<u>340,761</u>	<u>17,002</u>	<u>357,763</u>
<b>FUND DEFICIT</b>			
Spendable:			
Unassigned	<u>(116,112)</u>	<u>-</u>	<u>(116,112)</u>
Total fund deficit	<u>(116,112)</u>	<u>-</u>	<u>(116,112)</u>
Total liabilities and fund deficits	<u>\$ 224,649</u>	<u>\$ 17,002</u>	<u>\$ 241,651</u>

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

**FLORIDA HIGH SCHOOL FOR ACCELERATED  
LEARNING - GREATER MIAMI CAMPUS, INC.  
d/b/a NORTH GARDENS HIGH SCHOOL**

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

**Reconciliation of the Governmental Funds Balance (Deficit) Sheet  
to the Statement of Net Assets**

**June 30, 2013**

<b>Total fund deficit - governmental funds</b>	\$ (116,112)
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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 as assets in the governmental funds. The cost of the assets are \$310,073 and the accumulated depreciation is \$116,517.	193,556
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Long-term liabilities, including notes payable, 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:

Note payable	(53,133)
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<b>Total net assets - governmental activities</b>	\$ 24,311
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The accompanying notes to financial statements are an integral part of this statement.

**FLORIDA HIGH SCHOOL FOR ACCELERATED  
LEARNING - GREATER MIAMI CAMPUS, INC.  
d/b/a NORTH GARDENS HIGH SCHOOL**

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

**Statement of Revenues, Expenditures and  
Changes in Fund Balances (Deficit) of Governmental Funds**

**For the Year Ended June 30, 2013**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Federal sources passed through local school district	\$ -	\$ -	\$ 212,092	\$ 212,092
State and local sources	1,986,317	132,402	-	2,118,719
Total revenues	1,986,317	132,402	212,092	2,330,811
<b>EXPENDITURES</b>				
Current:				
Instruction	346,639	-	163,956	510,595
Pupil personnel services	194,141	-	-	194,141
Board	48,932	-	-	48,932
General administration	69,821	-	-	69,821
School administration	597,816	-	195	598,011
Central services	5,722	-	-	5,722
Transportation	91,618	-	-	91,618
Operation of plant	374,869	161,897	-	536,766
Maintenance of plant	109,481	-	-	109,481
Debt service:				
Principal	-	-	209,467	209,467
Interest	-	-	18,432	18,432
Capital outlay	10,151	-	47,941	58,092
Total expenditures	1,849,190	161,897	439,991	2,451,078
Excess of expenditures over revenues	137,127	(29,495)	(227,899)	(120,267)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in	-	29,495	227,899	257,394
Operating transfer out	(257,394)	-	-	(257,394)
Total other financing sources	(257,394)	29,495	227,899	-
Net changes in fund balances	(120,267)	-	-	(120,267)
Fund balance at beginning of year	4,155	-	-	4,155
Fund deficit at end of year	\$ (116,112)	\$ -	\$ -	\$ (116,112)

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

**FLORIDA HIGH SCHOOL FOR ACCELERATED  
LEARNING -GREATER MIAMI CAMPUS, INC.  
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**A Charter School and Component Unit of the  
District School Board of Miami-Dade County, Florida**

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances (Deficit) of Governmental Funds  
to the Statement of Activities**

**For the Year Ended June 30, 2013**

<b>Net changes in fund deficit - total governmental funds</b>	<b>\$ (120,267)</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$63,998) exceed capital outlays (\$58,092) in the current period.	(5,906)
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Principal payments on long-term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net assets.	<u>209,467</u>
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<b>Change in net assets of governmental activities</b>	<b><u><u>\$ 83,294</u></u></b>
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The accompanying notes to financial statements are an integral part of this statement.



**FLORIDA HIGH SCHOOL FOR ACCELERATED  
LEARNING – GREATER MIAMI CAMPUS, INC.  
d/b/a NORTH GARDENS HIGH SCHOOL**

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

**Notes to Financial Statements**

**For the Year Ended June 30, 2013**

**1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Florida High School For Accelerated Learning – Greater Miami Campus, Inc., d/b/a North Gardens High School (the “School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes and the Florida Not-for-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors the (“Board”), which is composed of five members. The School has retained a management company to operate the School (see Note 6).

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, (the “School Board”). The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board (“GASB”).

The School developed a philosophy of recognizing and rewarding each student as an individual. Therefore the education program, goals and objectives, and methods of accountability toward the objectives, must be set according to the situation of each individual student.

The School has selected a self-paced, mastery based, accelerated learning program as the model to implement this philosophy. The goal of the School is to provide, for students that might not be best suited for traditional schools, a school program and educational opportunities. These students include, but are not limited to, drop-outs or those in danger of dropping out, students needing more remedial support or individual instruction than can not be obtained in a traditional high school, and students with family or other situations that prevent attending a regular scheduled program at traditional high schools.

**Charter Contract**

The School operates under a charter granted by the Miami-Dade School Board (the “School Board”). The current charter expires on June 30, 2016 and may be renewed for a maximum of an additional five years, unless a longer term is required by law, by mutual written agreement between the School and the School Board. Upon the expiration of the charter, the School Board may elect not to renew the charter under grounds specified in the charter. However, the School Board may terminate the current charter at any time if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School Board.

**FLORIDA HIGH SCHOOL FOR ACCELERATED  
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d/b/a NORTH GARDENS HIGH SCHOOL**

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

**Notes to Financial Statements  
(continued)**

**Basis of Presentation**

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – *Audits for States and Local Governments* and provisions in the Florida Statutes, the School is considered as a governmental organization for financial statement reporting purposes. The School is required by its agreement with the School Board to use the governmental reporting model and follow the fund and accounting structure provided in the “Financial and Program Cost Accounting and Reporting for Florida Schools – The Red Book” issued by the FDOE.

**Government-Wide Financial Statements**

The government-wide financial statements provide both short-term and long-term information about the School in a manner similar to a private-sector business. The statement of net assets and statement of activities are designed to provide financial information about the School as a whole on an accrual basis of accounting. The statement of net assets provides information about the School’s financial position, its assets and its liabilities, using an economic resources measurement focus.

The statement of activities presents a comparison between direct expenses and program revenue for each function or program of the School’s governmental activities. Direct expenses are those specifically associated with a program or function, therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of goods and services offered by the program, grants and contributions that are restricted for meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

**FLORIDA HIGH SCHOOL FOR ACCELERATED  
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**A Charter School and Component Unit of the  
District School Board of Miami-Dade County, Florida**

**Notes to Financial Statements  
(continued)**

**Fund Financial Statements**

The governmental fund financial statements report detailed information about the School's most significant funds, not the School as a whole. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance related requirements. Certain funds are established by law while others are created by grant agreements. The following are major individual governmental funds reported in the fund financial statements:

- General Fund – the School's primary operating fund that accounts for all financial resources of the school, except those that are required to be accounted for in another fund.
- Capital Projects Fund – to account for all resources for the acquisition of capital items by the School purchased with capital outlay funds.
- Special Revenue Fund – to account the proceeds of specific revenue sources that restricted or committed to expenditures for a specific purpose including all federal grant revenues passed through the School District.
- Debt Service Fund – to account for the accumulation of resources for, and payment of general long-term debt principal, interest, and related costs.

For the purpose of these statements, the general and capital projects funds are considered major funds. The debt service and special revenue funds are non-major funds and reported as other governmental funds.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenses/expenditures 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 reported using the accrual basis of accounting. Revenues are recognized when earned and expenses/expenditures are recognized when a liability is incurred, regardless of the timing the related cash flows take place.

The governmental funds basic financial statements are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. The School considers revenues to be available if they are collected within 60 days after 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, revenues is recognized at the time the expenditure is made.

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**Notes to Financial Statements  
(continued)**

Expenditures are recorded 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the acquisition of long-term debt are reported as other financing sources.

**Budgetary Basis Accounting**

Budgets are prepared using the modified accrual basis of accounting and the governing board must approve all budgets and amendments. During the fiscal year, expenditures were controlled at the object level. Budgets may be amended by resolution of the Board prior to the date of the annual report.

**Cash and Cash Equivalents**

The School's cash and cash equivalents consist primarily of demand deposits with financial institutions.

As State of Florida Statutes and the School's policy require, all deposits be made into and held by financial institutions designated by the treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by the institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the ability to assess members of the pool should the need arise. The School's deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2013.

**Interfund receivables and payables**

Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. The general fund has recorded total receivables of approximately \$17,000 which are related to the capital outlay fund for amounts paid by the general funds on behalf of the capital projects fund.

**Interfund transfers**

The School reports its debt service fund expenditures in the other governmental funds. For the year ended June 30, 2013, the general funds transferred approximately \$228,000 to the other governmental funds for the current year debt service payments.

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**Notes to Financial Statements  
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The School Board receives a 5% administrative fee from the School, which is withheld from the respective FEFP payments up to and including 250 students. For the student population of 251 or more, the difference between the total administrative fee calculation and the amount of the administrative fee withheld is required to be used for capital outlay purposes. For the year ended June 30, 2013, the School's excess administrative fee over the 250 student population was approximately \$29,500 and was transferred to the capital projects fund and was used for specified capital outlay expenditures.

**Capital Assets and Depreciation**

The School's capital assets with useful lives of more than one year are stated at historical cost and reported in the statement of net assets in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value on the date donated. The School capitalizes assets with a cost of \$750 or more. Expenditures of normal maintenance and repair that do not add to the asset value or extend the useful life are not capitalized. Depreciation is computed using the straight-line method. Estimated useful lives of the assets are as follows:

	<u><b>Years</b></u>
Leasehold improvements	10
Furniture, fixtures and equipment	3 – 5

Information related to the change in capital assets is described in Note 3.

**Long-Term Liabilities**

Long-term liabilities 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. Changes in long-term liabilities for the current year are reported in Note 4.

**Net Assets and Fund Balance Classifications**

*Government-wide financial statements*

Net assets are classified and reported in three components:

- Investment in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are specifically attributed to the acquisition or improvement of those assets.
- Unrestricted net assets – all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors, laws or regulations of other governments. As of June 30, 2013, the School did not have any restricted net assets.

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**Notes to Financial Statements  
(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 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.

This statement also clarifies the definition of the special revenue fund to denote it may be used to account for the proceeds of specific revenue sources (other than trusts for individual, private organizations or other governmental agencies or for major capital projects) legally restricted to expenditures for specified purposes.

**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 the non-general fund.

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**Notes to Financial Statements  
(continued)**

**Revenue Sources**

Revenues for operations are received primarily from the District School Board of Miami-Dade County, Florida pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School Board. The School Board receives a 5% administrative fee from the School, which is withheld from the respective FEFP payments. The administrative expense is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances (deficit) – governmental funds. The administrative fee is calculated on the FEFP revenue up to 250 students.

Under provisions of Section 1011.62, Florida Statutes, the School Board reports the number of 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 weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey period. The FDOE may also adjust subsequent fiscal period allocations based on an audit of the School's compliance in determining and reporting FTE and related data. Generally, such adjustments are treated as reductions or additions of revenues in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the year ended June 30, 2013, the School reported 355.50 unweighted FTE.

The School received additional funding under other federal and state grants. This assistance is generally received based on applications submitted to various granting agencies. For federal and state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred.

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures.

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**Notes to Financial Statements  
(continued)**

**Use of Estimates**

In preparing the financial statements in conformity with accounting principles generally accepted 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 balance sheet and revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

**2 DUE FROM OTHER AGENCIES**

Due from other agencies included in the accompanying financial statements includes \$17,002 in capital outlay funds receivable from the School Board. Based on the sources of funds, management has evaluated the collectability and an allowance for doubtful accounts is not considered necessary.

**3 CAPITAL ASSETS**

Capital asset activity during the year ended June 30, 2013 was as follows:

	<u><b>Beginning Balance</b></u>	<u><b>Increases</b></u>	<u><b>Decreases</b></u>	<u><b>Ending Balance</b></u>
<b>Capital assets:</b>				
Leasehold improvements	\$ 106,383	\$ -	\$ -	\$ 106,383
Furniture, fixtures & equipment	145,598	58,092	-	203,690
Total capital assets	<u>251,981</u>	<u>58,092</u>	<u>-</u>	<u>310,073</u>
<b>Accumulated depreciation:</b>				
Leasehold improvements	(10,484)	(10,638)	-	(21,122)
Furniture, fixture & equipment	<u>(42,035)</u>	<u>(53,360)</u>	<u>-</u>	<u>(95,395)</u>
Total accumulated depreciation	<u>(52,519)</u>	<u>(63,998)</u>	<u>-</u>	<u>(116,517)</u>
Capital assets, net	<u>\$ 199,462</u>	<u>\$ (5,906)</u>	<u>\$ -</u>	<u>\$ 193,556</u>
<b>Depreciation expense:</b>				
Instruction			\$ 49,054	
Operation of plant			<u>14,944</u>	
Total governmental activities depreciation expense			<u>\$ 63,998</u>	



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**Notes to Financial Statements  
(continued)**

**4 LONG-TERM LIABILITIES**

The School has entered into a note payable with Building Hope, a Charter School Facilities Fund. The note called for interest payments through September 2012. Effective October 2012, principal and interest payments of \$6,411 are due monthly. The School made additional principal payments of approximately \$153,877 during fiscal year 2013. The interest rate is 8% annual and the note matures May 2014. The long-term debt is guaranteed by the School's management company.

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

Balance outstanding at the beginning of year	\$ 262,600
Additions	-
Reduction	<u>(209,467)</u>
Balance outstanding at the end of year	<u>\$ 53,133</u>

Interest paid during the year ended June 30, 2013 totaled approximately \$18,600.

**5 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES**

The following is a schedule of state and local revenue sources:

**District School Board of Miami-Dade County, Florida:**

Florida Education Finance Program	\$ 1,318,217
Class size reduction	332,381
Capital outlay funding	132,402
Discretionary millage funds	122,081
Supplemental academic instruction	118,439
Transportation	37,909
Instructional materials	27,902
ESE guaranteed allocation	25,086
Safe school	9,905
Prior year adjustment	472
Proration to funds available	<u>(6,075)</u>
Total	<u>\$ 2,118,719</u>

The administrative fee paid to the School Board during the year ended June 30, 2013 totaled approximately \$70,000, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

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**Notes to Financial Statements  
(continued)**

**6 MANAGEMENT AND EDUCATION CONTRACTS**

**Management Contract**

The School has entered into a contractual agreement with Accelerated Learning Solutions, Inc., a Tennessee Corporation ("ALS" or the "Company"), to provide management and consulting services to the School. The management agreement commenced January 2011 for an initial five year term and is automatically renewable for successive five year terms unless notice of intent not to renew is executed six months prior to its anniversary by either party. Under the terms of the agreement, the School is charged fees for services of thirteen percent (13%) of the School's qualified gross revenues as defined by the agreement in the first year of the School's operations, twelve (12%) of the School's qualified gross revenues in the second year and eleven (11%) of the School's qualified gross revenues in the third year of the School's operations and for subsequent years thereafter. Qualified gross revenues include various state, federal and local source revenues with certain exceptions. Qualified gross revenues exclude student fees, PTA/PTO income and any state or federal funding that is meant to be a reimbursement of expenditures on a dollar for dollar basis.

In return for the fees ALS shall be responsible for providing management and consulting services in the areas of financial operations, facility and equipment procurement and maintenance, curriculum assessment and evaluation, technology and operational support, human resources and student recruitment.

The contract may be terminated by the School for non-renewal of the charter with the School Board and for breaches of contract terms which have not been cured within ninety days of written notice at the time of the contract breach. The contract may be terminated by ALS for fiscal year operating deficits (excluding the first year of operations), failure to pay fees due to ALS, material changes in federal or state funding, or other material breaches of the contract terms by the School which have not been cured within ninety days of written notice at the time of the contract breach.

For the year ended June 30, 2013, the School incurred approximately \$222,000 of management fees and is reflected as a school administration expense/expenditure in the accompanying statements of activities and statement of revenues, expenditures and changes in fund balances (deficit) – governmental funds. As of June 30, 2013, the School has accrued management fees of approximately \$33,000, which are reported as due to management company in the accompany statement of net assets and balance sheet – governmental funds.

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**Notes to Financial Statements  
(continued)**

**Education Contract**

The School has also entered into a contractual agreement with ALS to provide education services to the School. The agreement commenced January 2011 for an initial five year term and is automatically renewable for successive five year terms unless notice of intent not to renew is executed six months prior to its anniversary by either party. Under the terms of the agreement, the School is charged fees for services of three percent (3%) of the School's qualified gross revenues as defined above. In addition, the School must pay ALS all salary and hourly benefit costs of the personnel employed by ALS for the School, and all direct, third party costs incurred by ALS in connection with providing the educational program services.

In return for the above fees the Company shall be responsible for providing the educational program for the School subject to the approval of the School and consistent with the mission set forth in the School's charter. The Company shall also recruit, select and employ the School's principal and other personnel deemed necessary by the Company and the School for the School's operations.

The contract may be terminated by the School for non-renewal of the charter with the School Board and for breaches of contract terms which have not been cured within ninety days of written notice at the time of the contract breach. The contract may be terminated by the Company for fiscal year operating deficits (excluding the first year of operations), failure to pay fees due to the Company, material changes in federal or state funding, or other material breaches of contract terms by the School which have not been cured within ninety days of written notice at the time of the contract breach.

For the year ended June 30, 2013, the School incurred approximately \$55,000 of education contract services (3%) and is reflected as a school administration expense/expenditure in the accompanying statements of activities and statement of revenues, expenditures and changes in fund balances – governmental funds. As of June 30, 2013, the School has accrued education fees of approximately \$5,000, which are reported as due to management company in the accompany statement of net assets and balance sheet – governmental funds.

**Due to Management Company**

Due to management company for approximately \$340,800 is included in the accompanying financial statements. The amount due includes the management and education contracts, as detailed above. In addition, the amount due to the management company includes approximately \$302,800 in other facilities and operating costs. Based on the addendum to management agreement dated January 25, 2011, ALS has agreed it will defer its monthly fees (or such portion thereof as may be necessary) until the School has the ability to pay.

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**Notes to Financial Statements  
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**7 RISK MANAGEMENT PROGRAM**

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

**8 COMMITMENTS AND CONTINGENT LIABILITIES**

**Lease commitment**

The School entered into a lease agreement for the facilities of the School, which expires August 2020, requires base monthly payments of \$10,000 through August 2013 and increases to \$10,500 through August 2014. Thereafter, the base rent increases annually by the greater of 1.5% over the prior year's based rent or by the percentage of any increase in funding allocated per student or percentage, but not to exceed the greater of the Cost of Living Index or 5% annually. The lease requires the School to pay a share of the common area maintenance, operating expenses and construction cost rent. The lease does not contain renewal options. Total expense in connection with the facility lease amounted to approximately \$354,000 for the year ended June 30, 2013. The facility lease agreement is guaranteed by the School's management company.

Future lease payments, including the annual increases are as follows:

<b>Year Ended June 30:</b>		
2014	\$	127,580
2015		129,486
2016		131,424
2017		133,408
2018		135,400
Thereafter		160,394
Total	\$	<u>817,692</u>

**Retirement benefits**

The School does not provide post-retirement benefits to retired employees. All employees are employees of the management company and any benefits are the management company's sole responsibility.

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**Notes to Financial Statements  
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**Grants**

The School participates in state and federal 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 receivable at year end may be impaired.

In the opinion of the School, there are no significant contingent liabilities related 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.

**Legal Matters**

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

Management believes there are no significant contingent liabilities related 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.

**9 INCOME TAXES**

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is therefore, exempt from income taxes. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. There is only one tax years open for examination by tax authorities.

**10 SUBSEQUENT EVENTS**

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through August 21, 2013, which is the date the financial statements were available to be issued.

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**Required Supplementary Information**

**Budgetary Comparison Schedule - General Fund**

**For the Year Ended June 30, 2013**

	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
State and local sources	\$ 1,834,342	\$ 1,834,342	\$ 1,986,317	\$ 151,975
Total revenues	1,834,342	1,834,342	1,986,317	151,975
<b>EXPENDITURES</b>				
Current:				
Instruction	620,892	620,892	346,639	(274,253)
Pupil personnel services	219,408	219,408	194,141	(25,267)
Board	15,900	15,900	48,932	33,032
General administration	68,831	68,831	69,821	990
School administration	559,945	559,945	597,816	37,871
Central services	21,900	21,900	5,722	(16,178)
Transportation	72,000	72,000	91,618	19,618
Operation of plant	150,235	150,235	374,869	224,634
Maintenance of plant	94,510	94,510	109,481	14,971
Capital outlay	-	-	10,151	10,151
Total expenditures	1,823,621	1,823,621	1,849,190	25,569
Excess (deficiency) of revenue over expenditures	10,721	10,721	137,127	126,406
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer out	(19,585)	(19,585)	(257,394)	(237,809)
Total other financing sources	(19,585)	(19,585)	(257,394)	(237,809)
Net changes in fund balances	(8,864)	(8,864)	(120,267)	(111,403)
Fund balances at beginning of year	4,155	4,155	4,155	-
Fund balances (deficit) at end of year	\$ (4,709)	\$ (4,709)	\$ (116,112)	\$ (111,403)

See report of independent auditors.



**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 Florida High School for Accelerated Learning – Greater Miami Campus, Inc. d/b/a North Gardens High School, 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 s for the Florida High School for Accelerated Learning – Greater Miami Campus, Inc. d/b/a North Gardens High School, a Charter School and Component Unit of the District School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2013, 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 21, 2013.

**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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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 its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

*MC CRADY, HESS + RUTH*

Maitland, Florida  
August 21, 2013



**Additional Information Required by  
Rules of the Auditor General,  
Chapter 10.850, *Audits of Charter Schools  
and Similar Entities***



**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 Florida High School for Accelerated Learning – Greater Miami Campus, Inc. d/b/a North Gardens High School, a Charter School and Component Unit of the District School Board of Miami-Dade County Florida

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Florida High School for Accelerated Learning – Greater Miami Campus, Inc. d/b/a North Gardens High School, (the “School”) as of and for the year ended June 30, 2013, and have issued our report thereon dated August 21, 2013.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosure in those reports and schedules, which are dated August 21, 2013, 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:

- Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no finding or recommendations made in the preceding annual financial audit report.
- Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the charter school has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition 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.
- 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 contract 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 school. The official title of the School is Florida High School for Accelerated Learning – Greater Miami Campus, Inc. d/b/a North Gardens High School.
- Pursuant to Sections 10.854(1)(e)6a. and 10.855(11), Rules of the Auditor General, we applied financial condition assessment procedures. 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.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General and applicable management and is not intended to be and should not be used by anyone other than these specific parties.

*MC CRADY, HESS + RUTH*

Maitland, Florida  
August 21, 2013