

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY
K-5 MIAMI CAMPUS
A CHARTER SCHOOL AND
COMPONENT UNIT OF THE
MIAMI-DADE COUNTY SCHOOL BOARD
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2012

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
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
RAMZ ACADEMY, INC.
D/B/A RAMZ Academy K-5 Miami Campus
Miami, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of RAMZ ACADEMY, INC. D/B/A RAMZ Academy K-5 Miami Campus (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 27–28 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.

Gardner & Associates, PA

Miami, Florida
August 29, 2012

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2012

As management of the RAMZ ACADEMY, INC. D/B/A RAMZ Academy K-5 Miami Campus (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

This 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.

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

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 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.

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

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:

	Net Assets as of June 30, 2012
Curret assets	\$ 59,097
Capital assets, net of depreciation	26,399
Total assets	<u>\$ 85,496</u>
Current liabilities	<u>\$ 11,603</u>
Net Assets	
Invested in capital assets, net of related debt	\$ 26,399
Unrestricted	<u>47,494</u>
Total Net Assets	<u>\$ 73,893</u>

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.

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
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	\$ 815,717
Program revenues:	
Operating grants and contributions	28,059
Total revenues	843,776
Expenses:	
Instruction	425,039
Pupil personnel services	697
Instructional staff training services	4,737
School board	5,516
General administration	40,786
School administration	13,017
Facilities acquisition and construction	146,666
Fiscal services	821
Food services	48,335
Pupil transportation services	27,222
Operation of plant	47,603
Maintenance plant	2,844
Unallocated depreciation expense	6,600
Total expenses	769,883
Change in net assets	73,893
Net assets, beginning	-
Net assets, ending	\$ 73,893

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2012

Government-wide financial analysis - Continued

- Presently there are 133 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 \$ 73,893.

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2012

Budgetary Highlights

The general fund's actual expenditures were approximately \$103,301 below the budgeted amounts. The Charter School's budget-to-actual report found on page 27 – 28 reflects significant positive variances in almost all categories.

Revenues available were approximately \$26,020 below the budgeted amount. Decrease in the projected amount of potential students along with a lower than expected revenues from grants and contributions caused this decrease. As a result, the Charter School has placed special emphasis in its fundraising efforts.

Capital Assets and Debt Administration

As of June 30, 2012 the Charter School had investment in capital assets of \$26,399. This amount is net of accumulated depreciation of \$6,600. Capital assets additions in the current year include new computers and furniture.

The Charter School has no outstanding debt.

Economic Factors

During fiscal year 2012, the Charter School experienced an increase in its net assets. The major contributing factors were increases in grants and contributions. During the year the Charter School received additional funds from grants and contributions, these addition funds received during the fiscal year contributed to the positive increase to net assets.

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
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 133 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 Mrs. Olga Miyar, Board Chair, 2609 NW 7th Street, Miami, FL 33125.

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

A CHARTER SCHOOL AND COMPONENT UNIT OF THE MIAMI-DADE
COUNTY DISTRICT SCHOOL BOARD
BASIC FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
<u>Assets</u>	
Current Assets:	
Cash and cash equivalents	\$ 59,097
	<u>59,097</u>
Capital assets, depreciable	32,999
Less accumulated depreciation	<u>(6,600)</u>
	26,399
 Total Assets	 <u>\$ 85,496</u>
<u>Liabilities and Net Assets</u>	
Current Liabilities:	
Accounts payable	<u>11,603</u>
 Total liabilities	 11,603
Net Assets:	
Invested in capital assets, net of related debt	\$ 26,399
Unrestricted	<u>47,494</u>
Total Net Assets	<u>73,893</u>
 Total Liabilities and Net Assets	 <u>\$ 85,496</u>

See accompanying notes to the basic financial statements

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

STATEMENT OF ACTIVITIES
JUNE 30, 2012

FUNCTIONS	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 425,039	\$ -	\$ 7,731	\$ -	\$ (417,308)
Pupil personnel services	697	-	-	-	(697)
Instructional media services	-	-	-	-	-
Instructional and curriculum development services	4,737	-	-	-	(4,737)
School board	5,516	-	-	-	(5,516)
General administration	40,786	-	-	-	(40,786)
School administration	13,017	-	-	-	(13,017)
Facilities acquisition and construction	146,666	-	-	-	(146,666)
Fiscal services	821	-	-	-	(821)
Food services	48,335	-	20,328	-	(28,007)
Pupil transportation services	27,222	-	-	-	(27,222)
Operation of plant	47,603	-	-	-	(47,603)
Maintenance plant	2,844	-	-	-	(2,844)
Unallocated depreciation expense	6,600	-	-	-	(6,600)
Total governmental activities	<u>\$ 769,883</u>	<u>\$ -</u>	<u>\$ 28,059</u>	<u>\$ -</u>	<u>\$ (741,824)</u>
General revenues:					
School Board of Miami- Dade County - FTE					<u>815,717</u>
Total general revenues					<u>815,717</u>
Change in net assets					73,893
Net assets - beginning					<u>-</u>
Net assets - ending					<u>\$ 73,893</u>

See accompanying notes to the basic financial statements

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

A CHARTER SCHOOL AND COMPONENT UNIT OF THE MIAMI-DADE

COUNTY DISTRICT SCHOOL BOARD

FUND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2012

	General Fund	Special Revenue Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 59,097	\$ -	\$ 59,097
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 59,097</u>	<u>\$ -</u>	<u>\$ 59,097</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	11,603	-	11,603
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 11,603</u>	<u>\$ -</u>	<u>\$ 11,603</u>
Fund Balances:			
Unassigned	<u>47,494</u>	<u>-</u>	<u>47,494</u>
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>47,494</u>	<u>-</u>	<u>47,494</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 59,097</u>	<u>\$ -</u>	<u>\$ 59,097</u>

See accompanying notes to the basic financial statements

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2012

Total Fund Balances- Governmental funds	\$	47,494
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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	\$	32,999	
Accumulated depreciation		<u>(6,600)</u>	26,399

Total Net Assets - Governmental Activities	\$	<u><u>73,893</u></u>
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See accompanying notes to the basic financial statements

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

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	\$ 815,717	\$ -	\$ 815,717
Federal lunch program	-	-	-
Other grants	25,065	-	25,065
Local school lunch fees	-	-	-
Other revenue- contributions	2,994	-	2,994
	<u>843,776</u>	<u>-</u>	<u>843,776</u>
Total revenues			
Expenditures			
Current:			
Instruction	425,039	-	425,039
Pupil personnel services	697	-	697
Instructional Staff training Services	4,737	-	4,737
School board	5,516	-	5,516
General administration	40,786	-	40,786
School administration	13,017	-	13,017
Facilities acquisition and construction	146,666	-	146,666
Fiscal services	821	-	821
Food services	48,335	-	48,335
Pupil transportation services	27,222	-	27,222
Operation of plant	47,603	-	47,603
Maintenance of plant	2,844	-	2,844
Capital outlay:	32,999	-	32,999
Total current expenditure	<u>796,282</u>	<u>-</u>	<u>796,282</u>
Excess (deficit) of revenues over expenditures	47,494	-	47,494
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 47,494</u>	<u>\$ -</u>	<u>\$ 47,494</u>

See accompanying notes to the basic financial statements

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT
OF ACTIVITIES
JUNE 30, 2012

Changes in Fund Balance - Governmental funds	\$	47,494
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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	\$	32,999	
Provision for depreciation		<u>(6,600)</u>	26,399

Change in Net Assets of Governmental Activities	\$	<u><u>73,893</u></u>
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See accompanying notes to the basic financial statements

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND OPERATIONS

Nature of Operations

The RAMZ ACADEMY, 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 seven (7) 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. RAMZ ACADEMY, INC. D/B/A RAMZ Academy K-5 Miami Campus 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

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Charter School is 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.

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

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.

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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.

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.

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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”

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
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.

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, and the bank balance was \$59,097. The bank balance did not 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.

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Furniture, Fixtures, and Equipment	-	32,999	-	32,999
	-	32,999	-	32,999
Less: Accumulated Depreciation	-	(6,600)	-	(6,600)
Total	\$ -	\$ 26,399	\$ -	\$ 26,399

The provision for depreciation for the year ended June 30, 2012 amounted to \$6,600. The Charter School allocated depreciation to instruction services.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Charter School’s facility is owned by Champagnat Holdings. The Charter School is leasing its premises from Champagnat, which has a term of five years and expires on June 30, 2016. Total fees paid to Champagnat Holdings for the fiscal year 2012 were approximately \$ 146,666. Future minimum lease payments are approximately \$ 146,666 for the next five 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 carried commercial insurance.

NOTE 7- RELATED PARTY

In accordance with the Charter Agreement, the School Board of Miami-Dade 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

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS

BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variances Positive (Negative)
Revenues:				
State sources	\$ 858,347	\$ 843,731	\$ 815,717	\$ (28,014)
Operating grants and contributions	-	28,453	25,185	(3,268)
Charges for services	-	-	-	-
Local Sources	5,000	1,000	2,874	1,874
Total revenues	<u>863,347</u>	<u>873,184</u>	<u>843,776</u>	<u>(26,020)</u>
Instruction	413,313	422,800	425,039	(2,239)
Pupil Personnel Services	4,700	3,000	697	2,303
Instruction and Curriculum Development Service	-	-	4,737	(4,737)
School Board	250	7,000	5,516	1,484
General Administration	42,809	42,187	40,786	1,401
School Administration	97,097	101,717	13,017	88,700
Facilities Acquisition and Construction	144,000	144,000	146,666	(2,666)
Fiscal Services	-	1,000	821	179
Food Services	60,000	40,000	48,335	(8,335)
Pupil Transportation Services	18,900	18,900	27,222	(8,322)
Operation of Plant	79,278	89,580	47,603	41,977
Depreciation expense	-	-	6,600	(6,600)
Maintenance of Plant	3,000	3,000	2,844	156
Total expenditure	<u>863,347</u>	<u>873,184</u>	<u>769,883</u>	<u>103,301</u>
Excess of revenues				
over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,893</u>	<u>\$ (129,321)</u>

RAMZ ACADEMY, INC.
D/B/A RAMZ ACADEMY K-5 MIAMI CAMPUS
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 also included is a 5% administrative charge that is retained by the School Board of Miami-Dade County. This amount is reflected on the Charter School's budget, for fiscal year 2011/2012 this amount was approximately \$40,800.



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
RAMZ ACADEMY, INC.
D/B/A RAMZ Academy K-5 Miami Campus
Miami, Florida

We have audited the basic financial statements of the governmental activities and each major fund of RAMZ ACADEMY, INC. D/B/A RAMZ Academy K-5 Miami Campus (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 Honorable Board of Directors
RAMZ ACADEMY, INC.
D/B/A RAMZ Academy k-5 Miami Campus
Miami, Florida

We have audited the financial statements of the RAMZ ACADEMY, INC. D/B/A RAMZ Academy K-5 Miami Campus (the "Charter School"), Florida, 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 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 Compliance and Other Matters. Disclosures in that report, which is dated August 29, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provision of Chapter 10.850, Rules of the Auditor General, which governs the conduct of Charter School and similar entities 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. There were no findings or recommendations in the preceding annual financial audit report.
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 contract 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) Deficiencies in internal control 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 The RAMZ Academy k-5 Miami Campus.
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 RAMZ Academy k-5 Miami Campus did not meet any of the conditions described in Section 218.503(1), Florida statutes.
7. Pursuant to Section 10.854(1) (e) 7.a. and 10.855(11), Rules of the Auditor General, we applied financial assessment procedures. It is management's responsibility to monitor the RAMZ Academy K-5 Miami Campus'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.

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