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**SOUTH FLORIDA AUTISM  
CHARTER SCHOOLS, INC.**

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

INDEPENDENT AUDITOR'S REPORT

*for the fiscal year ended JUNE 30, 2015*

***King & Walker, CPAs, PL***

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*Certified Public Accountants*

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# SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.

## TABLE OF CONTENTS

	<b>PAGE NO.</b>
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	1
<b>Management's Discussion and Analysis – (Unaudited)</b>	3
<b>Basic Financial Statements</b>	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	8
Statement of Activities	9
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	13
Notes to Financial Statements	14
<b>Other Required Supplementary Information</b>	
Budgetary Comparison Schedule – General Fund – (Unaudited)	23
Note to Required Supplementary Information	24
<b>COMPLIANCE AND INTERNAL CONTROL</b>	
<b>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 <i>Governmental Auditing Standards</i></b>	25
<b>Management Letter</b> as required by Rules of the Florida Auditor General, Chapter 10.850, Florida Statutes, <i>Charter School Audits</i> .	27

## **Independent Auditor's Report**

To the Board of Directors of the South Florida Autism Charter Schools, Inc.,  
a Charter School and Component Unit of the District  
School Board of Miami-Dade County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South Florida Autism Charter Schools, Inc. ("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, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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



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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of South Florida Autism Charter Schools, Inc., as of June 30, 2015, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, as shown in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2015 on our consideration of South Florida Autism Charter Schools, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering South Florida Autism Charter Schools, Inc.'s internal control over financial reporting and compliance.

Respectfully submitted,



August 17, 2015  
Tampa, Florida

## **SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**

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

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

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The Management's Discussion and Analysis (MD&A) section of the annual financial report of the South Florida Autism Charter Schools, Inc. ("School") provides an overview of the School's activities for the fiscal year ended June 30, 2015.

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

#### **FINANCIAL HIGHLIGHTS**

- For the fiscal year ended June 30, 2015, the School's revenues exceeded expenses as shown on the School's statement of activities by \$311,273.
- As shown on the statement of Net Position, the School reported an unrestricted Net Position balance of \$1,719,494.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements consist of three components:

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

#### **Government-Wide Financial Statements**

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



## **Fund Financial Statements**

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

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

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

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates a General Fund to account for its general operations and internal account activities. The General Fund is considered a major fund.

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

## **Notes to Financial Statements**

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position may serve over time as a useful indicator of a government's financial position. The following is a summary of the School's Net Position as of June 30, 2014 and June 30, 2015:

	<b>Net Position, End of Year</b>		
	Governmental Activities		
	6-30-14	6-30-15	Increase (Decrease)
<b>ASSETS</b>			
Current and Other Assets	\$ 1,611,365	\$ 1,910,347	\$ 298,982
Capital Assets, net	40,924	26,482	(14,442)
Total Assets	<u>1,652,289</u>	<u>1,936,829</u>	<u>284,540</u>
<b>LIABILITIES</b>			
Current Liabilities	<u>217,586</u>	<u>190,853</u>	<u>(26,733)</u>
Total Liabilities	<u>217,586</u>	<u>190,853</u>	<u>(26,733)</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	40,924	26,482	(14,442)
Unrestricted	<u>1,393,779</u>	<u>1,719,494</u>	<u>325,715</u>
Total Net Position	<u>\$ 1,434,703</u>	<u>\$ 1,745,976</u>	<u>\$ 311,273</u>

Assets consist primarily of cash and cash equivalents, and the School's investment in capital assets. Liabilities are comprised of accounts payable and salaries and benefits payable. Total Net Position amounted to \$1,745,976 which included an Unrestricted Net Position balance of \$1,719,494.



The key elements of the changes in the School's Net Position for the fiscal year ended June 30, 2014 and June 30, 2015 are as follows:

	Governmental Activities		
	6-30-14	6-30-15	Increase (Decrease)
<b>Revenues:</b>			
State Sources	\$ 3,263,908	\$ 3,369,137	\$ 105,229
Local and Other	422,837	427,859	5,022
<b>Total Revenues</b>	<b>3,686,745</b>	<b>3,796,996</b>	<b>110,251</b>
<b>Expenses:</b>			
Instruction	1,761,583	1,918,689	157,106
Pupil Personnel Services	273,710	282,976	9,266
Instr. & Curriculum Development	61,431	58,042	(3,389)
Instructional Staff Training	11,867	18,327	6,460
Instructional Related Technology	5,638		(5,638)
Board of Education	93,195	88,204	(4,991)
General Administration	72,160	75,680	3,520
School Administration	377,284	466,015	88,731
Facilities Acq. & Construction	149,697	131,459	(18,238)
Fiscal Services	70,815	74,560	3,745
Food Services		765	765
Pupil Transportation	40,061	45,603	5,542
Operation of Plant	51,376	86,504	35,128
Community Service	210,191	218,636	8,445
Interest & Fiscal Charges	1,937	-	(1,937)
Loss on Disposal of Capital Assets	76,107	-	(76,107)
Unallocated Depreciation	20,218	20,263	45
<b>Total Expenses</b>	<b>3,277,270</b>	<b>3,485,723</b>	<b>208,453</b>
<b>Increase in Net Position</b>	<b>\$ 409,475</b>	<b>\$ 311,273</b>	<b>\$ (98,202)</b>

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

The largest concentration of expense was for instruction, which comprised 55% of total expenses.

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

### **Governmental Funds**

As the School completed the year, its governmental funds reported a combined fund balance of \$1,719,494.

### **BUDGETARY HIGHLIGHTS**

The general fund budget for the fiscal year ended June 30, 2015, was developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Over the course of the year, the School revised its budget several times. For the year ended June 30, 2015, actual expenditures were equal to the final budgeted amounts. Refer to the Budgetary Comparison Schedule for additional information.

### **CAPITAL ASSETS**

The School's investment in capital assets for its governmental activities as of June 30, 2015, amounts to \$26,482 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures, and equipment, motor vehicles and leasehold improvements. Additional information regarding the School's capital assets can be found in note 3 to the financial statements.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the South Florida Autism Charter Schools, Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director, South Florida Autism Charter Schools, Inc., 13835 NW 97<sup>th</sup> Ave., Hialeah, FL 33018.

**SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**

*June 30, 2015*

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 1,860,347
Deposits	50,000
Capital Assets:	
Furniture, Fixtures, and Equipment, Net	16,103
Motor Vehicles, Net	3,729
Leasehold Improvements, Net	6,650
Total Capital Assets, Net	<u>26,482</u>
<b>TOTAL ASSETS</b>	<u><u>1,936,829</u></u>
<b>LIABILITIES</b>	
Accounts Payable	13,965
Salaries and Benefits Payable	<u>176,888</u>
<b>TOTAL LIABILITIES</b>	<u><u>190,853</u></u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	26,482
Unrestricted	<u>1,719,494</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 1,745,976</u></u>

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



**SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES**

*For the Fiscal Year Ended June 30, 2015*

Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position Governmental Activities	Total
Governmental Activities:					
Instruction	\$ 1,918,689	\$ -	\$ -	\$ (1,918,689)	\$ (1,918,689)
Pupil Personnel Services	282,976			(282,976)	(282,976)
Instruction & Curriculum Development	58,042			(58,042)	(58,042)
Instructional Staff Training	18,327			(18,327)	(18,327)
Board of Education	88,204			(88,204)	(88,204)
General Administration	75,680			(75,680)	(75,680)
School Administration	466,015			(466,015)	(466,015)
Facilities Acquisition & Construction	131,459			(131,459)	(131,459)
Fiscal Services	74,560			(74,560)	(74,560)
Food Services	765			(765)	(765)
Pupil Transportation	45,603			(45,603)	(45,603)
Operation of Plant	86,504			(86,504)	(86,504)
Community Service	218,636	53,218		(165,418)	(165,418)
Unallocated Depreciation	20,263			(20,263)	(20,263)
<b>Total Governmental Activities</b>	<b>\$ 3,485,723</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(3,432,505)</b>	<b>(3,432,505)</b>
General Revenues:					
State Sources				3,369,137	3,369,137
Local and Other				374,641	374,641
<b>Total General Revenue</b>				<b>3,743,778</b>	<b>3,743,778</b>
Change in Net Position				311,273	311,273
Net Position - July 1, 2014				1,434,703	1,434,703
<b>Net Position - June 30, 2015</b>				<b>\$ 1,745,976</b>	<b>\$ 1,745,976</b>

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

**SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

***BALANCE SHEET - GOVERNMENTAL FUNDS***

*June 30, 2015*

	General Fund
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 1,860,347
Deposits	50,000
Total Assets	\$ 1,910,347
<b>LIABILITIES</b>	
Accounts Payable	\$ 13,965
Salaries and Benefits Payable	176,888
Total Liabilities	190,853
<b>FUND BALANCE</b>	
Nonspendable	50,000
Spendable - Unassigned	1,669,494
Total Fund Balance	1,719,494
Total Liabilities and Fund Balance	\$ 1,910,347

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

**SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

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

*June 30, 2015*

<b>Total Fund Balances - Governmental Funds</b>	\$ 1,719,494
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.	<u>26,482</u>
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<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 1,745,976</u></u>
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The accompanying notes to financial statements are an integral part of this statement.



**SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**  
**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 - GOVERNMENTAL FUNDS**  
*For the Fiscal Year Ended June 30, 2015*

	<u>General Fund</u>
<b>Revenues</b>	
Intergovernmental:	
State	\$ 3,369,137
Local and Other	427,859
Total Revenues	<u>3,796,996</u>
<b>Expenditures</b>	
Current - Education:	
Instruction	1,918,689
Pupil Personnel Services	282,976
Instruction & Curriculum Development	58,042
Instructional Staff Training	18,327
Board of Education	88,204
General Administration	75,680
School Administration	466,015
Facilities Acquisition & Construction	131,459
Fiscal Services	74,560
Food Services	765
Pupil Transportation	45,603
Operation of Plant	86,504
Community Service	218,636
Fixed Capital Outlay:	
Other Capital Outlay	5,821
Total Expenditures	<u>3,471,281</u>
Net Change in Fund Balance	325,715
Fund Balance, July 1, 2014	1,393,779
Fund Balance, June 30, 2015	<u><u>\$ 1,719,494</u></u>

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

**SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2015*

<b>Net Change in Fund Balances - Governmental Funds</b>	\$ 325,715
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Amounts reported for governmental activities in the statement of activities 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.

This is the amount of depreciation expense (\$20,263) in excess of in excess of capital outlay (\$5,821) in the current period.

(14,442)

<b>Change in Net Position - Governmental Activities</b>	<u>\$ 311,273</u>
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The accompanying notes to the financial statements are an integral part of this statement.

# **SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**

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

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### ➤ **Reporting Entity**

South Florida Autism Charter Schools, Inc. ("School") is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Miami-Dade County, Florida, ("District"). The current charter is effective until June 30, 2019 and is subject to annual review and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the school in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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

#### ➤ **Basis of Presentation**

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

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



# **SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**

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

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

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

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

The School's major governmental funds are as follows:

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

### ➤ **Basis of Accounting**

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

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

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized

# **SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**

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

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

### ➤ **Deposits and Investments**

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

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

### ➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of Net Position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

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

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

### ➤ **Long-term Debt**

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



# SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.

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

## NOTES TO FINANCIAL STATEMENTS

June 30, 2015

### ➤ Deferred Outflows/Inflows of Resources

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

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

### ➤ Net Position and Fund Balance Classification

#### *Government-wide Financial Statements*

Net Position are classified and reported in three components:

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

#### *Fund Financial Statements*

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

# **SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**

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

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

### ➤ **Order of Fund Balance Spending Policy**

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

### ➤ **Revenue Sources**

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

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students (FTE) reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School’s compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.



# **SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**

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

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2015, the School reported 170.69 unweighted FTE and 603.17 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

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

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

### ➤ **Income Taxes**

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

# SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.

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

## NOTES TO FINANCIAL STATEMENTS

June 30, 2015

### ➤ Use of Estimates

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

### ➤ Subsequent Events

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

## 2. CASH DEPOSITS

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

## 3. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Furniture, Fixtures and Equipment	\$ 84,403	\$ 5,821	\$ -	\$ 90,224
Motor Vehicles	12,430			12,430
Leasehold Improvements	8,513	-	-	8,513
Total Capital Assets Being Depreciated	<u>105,346</u>	<u>5,821</u>	<u>-</u>	<u>111,167</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(57,196)	(16,925)	-	(74,121)
Motor Vehicles	(6,215)	(2,486)	-	(8,701)
Leasehold Improvements	(1,011)	(852)	-	(1,863)
Total Accumulated Depreciation	<u>(64,422)</u>	<u>(20,263)</u>	<u>-</u>	<u>(84,685)</u>
Governmental Activities Capital Assets, net	<u>\$ 40,924</u>	<u>\$ (14,442)</u>	<u>\$ -</u>	<u>\$ 26,482</u>

Unallocated depreciation expense for the fiscal year was \$20,263.



**SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

**4. SCHEDULE OF STATE REVENUE SOURCES**

The following is a schedule of the School's State revenue:

<u>Source</u>	<u>Amount</u>
<i><u>STATE:</u></i>	
Florida Education Finance Program	\$2,449,068
Class Size Reduction	700,624
Discretionary Local Effort	75,106
Supplementary Academic Instruction	57,068
Florida Agency for Persons with Disabilities	55,570
Instructional Materials	12,624
Transportation	10,438
Safe Schools	4,811
Discretionary Lottery	2,044
ESE Guaranteed Allocation	931
EEC Allocation	853
Total State Revenue	<u><u>\$3,369,137</u></u>

As provided in the charter school contract, the District has charged the School an administrative fee totaling \$77,494.

**5. OPERATING AGREEMENT**

The School entered into an operating agreement on June 8, 2012, with the School Board of Miami-Dade County, Florida (District). The term of the agreement shall be in effect for the term of the School's Charter. The contract calls for the District to provide the School with operational, managerial, and administrative services. The District may provide facilities to the School for use as a charter school pursuant to the terms and conditions of a separate facilities lease as described in Note 6. This agreement may be renewed for an additional term by mutual agreement of both parties. An annual fee of \$440 per student full time equivalent shall be paid in equal monthly installments. Fees under this agreement incurred to the District during the fiscal year amounted to \$75,680.

**6. FACILITIES LEASE**

The School entered into a facilities lease agreement effective through June 30, 2015, with the School Board of Miami-Dade County, Florida (District). The annual rental rate shall be One Dollar (\$1.00) payable to the District. The School will pay its proportional share of operating expenses for the facility, which includes routine building and grounds maintenance, custodial and janitorial services, trash pick-up, utilities, and the District's property insurance (Operating Expenses). Total Operating Expenses during the fiscal year amounted to \$128,844.

# **SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**

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

## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2015**

### **7. RETIREMENT PLAN**

The School participates in a defined contribution tax sheltered annuity 401(k) plan for its full time employees. Contributions made by the School totaled \$20,027 for the year ended June 30, 2015, which were computed at 1.5% of employee's deferral of wages for each participating employee. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices. Therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly the present value of the related benefits is not reflected in these financial statements. The School's Board of Directors sets the plan contribution rate annually.

### **8. COMMITMENTS AND CONTINGENT LIABILITIES**

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2015, may be impaired.

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

### **9. RISK MANAGEMENT PROGRAMS**

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

### **10. FUNDING AND CREDIT RISK CONCENTRATIONS**

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

### **11. LEGAL MATTERS**

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



**SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF**  
**THE DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - (UNAUDITED)**  
*For the Fiscal Year Ended June 30, 2015*

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Intergovernmental:				
State	\$ 3,529,040	\$ 3,369,137	\$ 3,369,137	\$ -
Local and Other	532,660	427,859	427,859	-
Total Revenues	<u>4,061,700</u>	<u>3,796,996</u>	<u>3,796,996</u>	<u>-</u>
<b>Expenditures:</b>				
Current - Education:				
Instruction	2,192,468	1,918,689	1,918,689	-
Pupil Personnel Services	242,780	282,976	282,976	-
Instruction & Curriculum Development	54,506	58,042	58,042	-
Instructional Staff Training	105,000	18,327	18,327	-
Instructional Related Technology	12,500	-	-	-
Board of Education	167,860	88,204	88,204	-
General Administration	78,000	75,680	75,680	-
School Administration	412,212	466,015	466,015	-
Facilities Acquisition & Construction	181,000	131,459	131,459	-
Fiscal Services	71,000	74,560	74,560	-
Food Services		765	765	-
Pupil Transportation	46,000	45,603	45,603	-
Operation of Plant	44,750	86,504	86,504	-
Maintenance of Plant	10,000	-	-	-
Community Service	184,408	218,636	218,636	-
Fixed Capital Outlay:				
Other Capital Outlay		5,821	5,821	-
Total Expenditures	<u>3,802,484</u>	<u>3,471,281</u>	<u>3,471,281</u>	<u>-</u>
Net Change in Fund Balance	259,216	325,715	325,715	-
Fund Balance, July 1, 2014	1,393,779	1,393,779	1,393,779	-
Fund Balance, June 30, 2015	<u>\$ 1,652,995</u>	<u>1,719,494</u>	<u>\$ 1,719,494</u>	<u>\$ -</u>

See Independent Auditor's Report.

**SOUTH FLORIDA AUTISM CHARTER SCHOOLS, INC.**

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

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2015**

**1. BUDGETARY BASIS OF ACCOUNTING**

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



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**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of the South Florida Autism Charter Schools, Inc.,  
a Charter School and Component Unit of the District  
School Board of Miami-Dade County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South Florida Autism Charter Schools, Inc. ("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, 2015, 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 17, 2015.

**Internal Control Over Financial Reporting**

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

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

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



## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Respectfully submitted,

King & Walker, CPAs

August 17, 2015  
Tampa, Florida



**Financial Condition**

Sections 10.854(1)(e)2., Rules of the Auditor General, requires that we report the results of our determination 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 School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

**Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

**Other Matters**

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the District School Board of Miami-Dade County and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



August 17, 2015  
Tampa, Florida