

FLORIDA INTERNATIONAL
ACADEMY, INC.

(A component unit of the Miami-Dade County Public School District)

BASIC FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

June 30, 2009

FLORIDA INTERNATIONAL ACADEMY, INC.
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
TABLE OF CONTENTS
June 30, 2009

	<u>PAGES</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis (Not Covered by Independent Auditors' Report)	3-6

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Assets	7
Statement of Activities	8

Fund Financial Statements:

Balance Sheet - Governmental Fund	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	10
Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Fund	11
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balance of Governmental Funds to the Statement of Activities	12

Notes to Basic Financial Statements	13-17
-------------------------------------	-------

REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedule	18
-------------------------------	----

OTHER AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	19-20
Independent Auditors' Report to the Board of Directors	21-22



KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.
JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
KENNETH G. SMITH, C.P.A.
LOUIS R. PROIETTO, C.P.A.

CYNTHIA L. CALVERT, C.P.A.
ISRAEL J. GOMEZ, C.P.A.
JOHN E. McCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A. (RETIRED)
PAUL B. SNEIDER, C.P.A. (RETIRED)
BRIAN D. PINNELL, C.P.A. (RETIRED)

JAMES R. LARAWAY, C.P.A.
HILLARY B. DAIGLE, C.P.A.

ROSS S. GOTTHOFFER, C.P.A.

6550 NORTH FEDERAL HIGHWAY
SUITE 410
FORT LAUDERDALE, FLORIDA 33308
(954) 771-0896
FAX: (954) 938-9353
E-MAIL: kmc@kmc CPA.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Florida International Academy, Inc.
Miami, Florida

We have audited the accompanying basic financial statements of the governmental activities and the General Fund of Florida International Academy, Inc. (the "School") (a not-for-profit corporation and a component unit of the Miami-Dade County Public School District), as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion 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 standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of Florida International Academy, Inc., as of June 30, 2009, 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.

In accordance with Government Auditing Standards, we have also issued our report dated August 27, 2009, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 the 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.

Florida International Academy, Inc.

The management's discussion and analysis on pages 3 through 6, is not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the School's basic financial statements. The budgetary comparison information is presented for purposes of additional analysis and is a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Keefe, McCulloch & Co., LLP
KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
August 27, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

FLORIDA INTERNATIONAL ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Our discussion and analysis of Florida International Academy, Inc.'s (the "School") financial performance provides an overview of the School's financial activities for the year ended June 30, 2009 and 2008. Please read it in conjunction with the School's financial statements which immediately follow this discussion.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The statement of net assets presents information on all the 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 School is improving or deteriorating.

The statement of activities presents information showing how the School's net assets changed during the 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, revenues 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 7 and 8 of this report.

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 School only has 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 balances of spendable resources available at the end of the year. Such information may be useful in evaluating the 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 School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balance provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

FLORIDA INTERNATIONAL ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

The governmental fund financial statements can be found on pages 9 through 12 of this report.

Notes to Basic Financial Statements

The notes 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 basic financial statements can be found on pages 13 through 17 of this report.

Other Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School's adopted budget to actual results. Required supplementary information can be found on page 18 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statement of net assets as of June 30, 2009 and 2008:

Florida International Academy Net Assets			
	<u>2009</u>	<u>2008</u>	<u>Variances</u>
CURRENT ASSETS	\$ 291,663	\$ 394,588	\$ (102,925)
NONCURRENT ASSETS	89,513	117,126	(27,613)
Total assets	<u>381,176</u>	<u>511,714</u>	<u>(130,538)</u>
CURRENT LIABILITIES	<u>144,613</u>	<u>145,152</u>	<u>(539)</u>
NET ASSETS:			
Invested in property and equipment	62,983	90,596	(27,613)
Restricted	-	33,958	(33,958)
Unrestricted	<u>173,580</u>	<u>242,008</u>	<u>(68,428)</u>
Total net assets	<u>\$ 236,563</u>	<u>\$ 366,562</u>	<u>\$ (129,999)</u>

A portion of the School's net assets reflects its investment in capital assets, less any related outstanding debt used to acquire those assets. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the School's investment in its capital assets is reported net of related debt (if any), it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance, unrestricted, may be used to meet the School's ongoing obligations.

FLORIDA INTERNATIONAL ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

The following table reflects the School's change in net assets for the years ended June 30, 2009 and 2008.

Florida International Academy Change in Net Assets			
	2009	2008	Variances
REVENUES:			
General revenues	\$ 1,777,170	\$ 1,679,343	\$ 97,827
Program revenues:			
Operating grants and contributions	700,882	613,259	87,623
Capital outlay funds	173,605	178,922	(5,317)
	<u>2,651,657</u>	<u>2,471,524</u>	<u>180,133</u>
EXPENSES:			
Instruction	1,191,801	1,033,793	158,008
Administration	334,542	378,444	(43,902)
Operation of plant	161,240	224,166	(62,926)
Facilities acquisition	392,542	206,959	185,583
Community services	173,238	158,736	14,502
Pupil transportation services	163,576	157,425	6,151
Food services	182,745	147,835	34,910
Fiscal services	108,208	106,089	2,119
Maintenance of plant	27,336	48,899	(21,563)
Board	46,428	26,688	19,740
	<u>2,781,656</u>	<u>2,489,034</u>	<u>292,622</u>
Change in net assets	(129,999)	(17,510)	(112,489)
NET ASSETS, July 1, 2008	<u>366,562</u>	<u>384,072</u>	<u>(17,510)</u>
NET ASSETS, June 30, 2009	<u>\$ 236,563</u>	<u>\$ 366,562</u>	<u>\$ (129,999)</u>

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

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

The General Fund is the chief operating fund of the School. At the end of year 2009, unreserved fund balance of the General Fund was \$ 121,523 a decrease of \$ 89,157 from the prior year. The overall General Fund balance decreased by \$ 102,386.

FLORIDA INTERNATIONAL ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the final amended budget and actual amounts can be briefly summarized as follows:

1. Continued repairs to elevator and other fire safety requirements
2. Decrease in capital outlay funds
3. Continued Income from federal lunch reimbursement
4. Increased staff for higher enrollment
5. Increase in health insurance premiums
6. Decrease in property and casualty insurance
7. Decrease in utility costs
8. Costs incurred in acquiring a new facility

Differences between the final amended budget and actual amounts, budgetary basis are attributable to carryover of the 21st Century project monies for the summer program.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The School's investment in capital assets as of June 30, 2009 amounts to \$ 62,983 net of accumulated depreciation. This investment in capital assets is composed of leasehold improvements, vehicles, and office and classroom equipment. The School has no outstanding debt at June 30, 2008.

ECONOMIC FACTORS

Facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations of the School in the year 2009 include:

1. Projected sales tax revenue shortfalls at the state level may lead to a reduction in school funding across the board
2. Continued search for a new facility and associated costs

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Florida International Academy, Inc. for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Florida International Academy, Inc.; 7630 Biscayne Boulevard; Miami, Florida 33136.

BASIC FINANCIAL STATEMENTS

FLORIDA INTERNATIONAL ACADEMY, INC.
STATEMENT OF NET ASSETS
June 30, 2009

A S S E T S

	<u>Governmental Activities</u>
CURRENT ASSETS:	
Cash	\$ 163,985
Accounts receivable	169
Due from other agencies	75,452
Prepaid expenses	<u>52,057</u>
Total current assets	<u>291,663</u>
 NONCURRENT ASSETS:	
Deposits	26,530
Capital assets, depreciable	208,789
Less accumulated depreciation	<u>(145,806)</u>
Total noncurrent assets	<u>89,513</u>
Total assets	<u>\$ 381,176</u>

L I A B I L I T I E S A N D N E T A S S E T S

CURRENT LIABILITIES:	
Accounts payable	\$ 5,359
Accrued payroll and related taxes	96,045
Deferred revenue	<u>43,209</u>
Total current liabilities	<u>144,613</u>
 NET ASSETS:	
Invested in capital assets, net of related debt	62,983
Unrestricted	<u>173,580</u>
Total net assets	<u>236,563</u>
Total liabilities and net assets	<u>\$ 381,176</u>

The accompanying notes to basic financial statements are an integral part of these statements.

FLORIDA INTERNATIONAL ACADEMY, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Governmental Activities Net Revenue (Expense) and Change in Net Assets</u>
		<u>Capital Outlay Funds</u>	<u>Operating Grants and Contributions</u>	
FUNCTIONS/PROGRAMS:				
Governmental activities:				
Instruction	\$ 1,191,801	\$ -	\$ 357,331	\$ (834,470)
Administration	334,542	-	-	(334,542)
Operations of plant	161,240	-	-	(161,240)
Facilities acquisition	392,542	173,605	-	(218,937)
Community services	173,238	-	188,771	15,533
Pupil transportation services	163,576	-	-	(163,576)
Food services	182,745	-	154,780	(27,965)
Fiscal services	108,208	-	-	(108,208)
Maintenance of plant	27,336	-	-	(27,336)
Board	46,428	-	-	(46,428)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total governmental activities	\$ <u>2,781,656</u>	\$ <u>173,605</u>	\$ <u>700,882</u>	<u>(1,907,169)</u>
General revenues:				
FTE non-specific revenues				1,732,980
Miscellaneous revenues				42,344
Investment earnings				<u>1,846</u>
Total general revenues				1,777,170
Change in net assets				(129,999)
Net assets, July 1, 2008				<u>366,562</u>
Net assets, June 30, 2009				\$ <u>236,563</u>

The accompanying notes to basic financial statements are an integral part of these statements.

FLORIDA INTERNATIONAL ACADEMY, INC.
 BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2009

	<u>General Fund</u>
ASSETS	
ASSETS:	
Cash	\$ 163,985
Accounts receivable	169
Due from other agencies	75,452
Prepaid expenditures	52,057
Deposits	<u>26,530</u>
Total assets	\$ <u><u>318,193</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Accounts payable	\$ 5,359
Accrued payroll and related taxes	96,045
Deferred revenue	<u>43,209</u>
Total liabilities	<u>144,613</u>
FUND BALANCE:	
Reserved for prepaid expenditures	52,057
Unreserved	<u>121,523</u>
Total fund balance	<u>173,580</u>
Total liabilities and fund balance	\$ <u><u>318,193</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

FLORIDA INTERNATIONAL ACADEMY, INC.
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET ASSETS
 June 30, 2009

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
 STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE:

Total fund balance - governmental fund, page 9	\$	173,580
--	----	---------

Capital assets used in governmental activities are not
 financial resources; therefore, they are not reported
 in the governmental fund.

Cost of capital assets	\$	208,789	
Accumulated depreciation		<u>(145,806)</u>	<u>62,983</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 7	\$	<u><u>236,563</u></u>
--	----	-----------------------

The accompanying notes to basic financial statements are an integral part of these statements.

FLORIDA INTERNATIONAL ACADEMY, INC.
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - GOVERNMENTAL FUND
For the Year Ended June 30, 2009

		General Fund
REVENUES:		
State sources	\$	1,906,585
Federal sources		461,371
Local sources		283,701
Total revenues		2,651,657
 EXPENDITURES:		
Current:		
Instruction		1,164,188
Administration		334,542
Operations of plant		161,240
Facilities acquisition		392,542
Community services		173,238
Pupil transportation services		163,576
Food services		182,745
Fiscal services		108,208
Maintenance of plant		27,336
Board services		46,428
Total expenditures		2,754,043
Net change in fund balance		(102,386)
FUND BALANCE, July 1, 2008		275,966
FUND BALANCE, June 30, 2009	\$	173,580

The accompanying notes to basic financial statements are an integral part of these statements.

FLORIDA INTERNATIONAL ACADEMY, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGE IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND, PAGE 11	\$	(102,386)
--	----	-----------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, these costs are allocated over their estimated useful lives as a provision for depreciation.

Cost of capital assets	\$	1,963	
Provision for depreciation		<u>(29,576)</u>	<u>(27,613)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 8	\$	<u>(129,999)</u>
--	----	------------------

The accompanying notes to basic financial statements are an integral part of these statements.

FLORIDA INTERNATIONAL ACADEMY, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009

NOTE 1 - ORGANIZATION AND OPERATIONS

Florida International Academy, Inc. (the "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 School commenced operations in August 1998 and now offers classes for grades six through eight in the City of Miami with a student enrollment of 273.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity:

The School operates under a charter granted by the sponsoring school district, the Miami-Dade County Public School District (the "District"). The current charter is effective until June 30, 2011, and may be renewed in increments of one year by mutual written 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 which case the District is required to notify the School in writing at least ninety 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. Florida International Academy, Inc. is considered a component unit of the Miami-Dade County Public School District.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable which would require inclusion in the School's financial statements.

Basis of presentation:

Based on the contractual provisions within the School's contract with the Miami-Dade County Public School District and the provisions of the Florida Statutes, the School is presented as a governmental organization for financial reporting purposes.

Basic financial statements - government-wide statements:

The School's financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the School's activities are classified as governmental activities.

In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full accrual, economic resource basis, which recognizes all noncurrent assets and receivables, as well as all noncurrent debt and obligations, if any. The School's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

As of June 30, 2009, all of the School's net assets were classified as follows:

Invested in capital assets	\$ 62,983
Unrestricted	<u>173,580</u>
	<u>\$ 236,563</u>

FLORIDA INTERNATIONAL ACADEMY, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The net costs, by function, are also supported by general revenues (unrestricted contributions, investment earnings, miscellaneous revenue, etc.). The statement of activities reduces gross expenses (including provision for depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

This government-wide focus is more on the ability to sustain the School as an entity and the change in the School's net assets resulting from the current year's activities.

Basic financial statements - fund financial statements:

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

The General Fund is employed in accounting for the financial activities of the School. It is a governmental fund type and is used to account for all financial transactions.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. As of June 30, 2009, amounts reserved for fund balance include prepaid expenditures of \$ 52,057. The remaining fund balance of \$ 121,523 is unreserved.

Measurement focus and basis of accounting:

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the governmental-wide statement uses the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting under which revenue 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 current period is defined as sixty days.

Capital assets:

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. Other costs incurred for repairs and maintenance are expensed as incurred.

FLORIDA INTERNATIONAL ACADEMY, INC.
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Equipment	5 years
Vehicles	5 years
Leasehold improvements	5-6 years

Grant and contract revenue:

Grant and contract revenue is recognized when the allowable costs as defined by the individual grant or contract are incurred.

Use of estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - BUDGET

The School formally adopted a budget for the General Fund by function for the year ended June 30, 2009. The budget has been prepared in accordance with generally accepted accounting principles. A comparison of the actual results of operations to the final budgeted amounts for the General Fund is presented as required supplemental information.

NOTE 4 - DEPOSITS

At June 30, 2009 the total carrying amount of the School's cash balances was \$ 163,985. The bank balance at local depositories was \$ 204,064, which is insured by the FDIC.

NOTE 5 - CAPITAL ASSETS

A summary of changes in governmental capital assets is as follows:

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
Capital assets, depreciable:				
Equipment	\$ 184,262	\$ 1,963	\$ -	\$ 186,225
Vehicles	14,280	-	-	14,280
Leasehold improvements	8,284	-	-	8,284
Total capital assets, depreciable	206,826	1,963	-	208,789

FLORIDA INTERNATIONAL ACADEMY, INC.
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2009

NOTE 5 - CAPITAL ASSETS (continued)

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
Accumulated depreciation:				
Equipment	105,990	25,764	-	131,754
Vehicles	5,004	2,856	-	7,860
Leasehold Improvements	<u>5,236</u>	<u>956</u>	-	<u>6,192</u>
Total accumulated depreciation	<u>116,230</u>	<u>29,576</u>	-	<u>145,806</u>
Net capital assets	\$ <u>90,596</u>	\$ <u>(27,613)</u>	\$ -	\$ <u>62,983</u>

Depreciation for the year ended June 30, 2009, amounted to \$ 29,576, all of which was allocated to supporting services.

As part of the School's charter contract, all capital assets purchased with public funds will automatically revert to the district school board upon the non-renewal or termination of the contract.

NOTE 6 - LEASES

The School leases facilities for its operations. The lease for the School premises expired this fiscal year; therefore, it was extended for monthly payments of \$ 24,000 until June 30, 2010. In connection with this lease, the rent for the year ended June 30, 2009 totaled approximately \$ 288,000.

The School leases equipment under various non-cancellable operating agreements, which are payable monthly aggregating approximately \$ 900. Such leases expire at various times from March 2010 through December 2011. In connection with these leases and other expired agreements, rent expense for the year ended June 30, 2009 totaled approximately \$ 15,435.

Future lease payments are approximately as follows:

<u>Year Ending June 30</u>		
2010	\$	9,300
2011	\$	3,000
Thereafter	\$	NONE

NOTE 7 - CONTINGENCIES AND COMMITMENTS

The School received financial assistance from federal, state, and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. In accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Florida Single Audit Act, the School is not required to conduct a "single audit" since the required threshold for both Federal and state money is currently \$ 500,000 and the School did not exceed such threshold.

FLORIDA INTERNATIONAL ACADEMY, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009

NOTE 7 - CONTINGENCIES AND COMMITMENTS (continued)

The School also has a contract with a management company to assist the performance of various administrative, operating, and financial duties. Under the terms of the agreement, the School will pay monthly \$ 7,500 through June 2010. The total amount incurred during the year ended June 30, 2009 relating to this contract was \$ 90,000. This contract can be terminated unilaterally by either party if school enrollment falls below 200 students.

NOTE 8 - INCOME TAXES

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

FLORIDA INTERNATIONAL ACADEMY, INC.
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance
	Original	Final		
REVENUES:				
FTE revenues	\$ 1,552,137	\$ 1,646,334	\$ 1,732,980	\$ 86,646
Operating grants and contributions	760,158	765,273	542,686	(222,587)
Capital outlay funds	165,000	173,604	173,605	1
Federal food service reimbursement	125,000	140,000	142,512	2,512
Student breakfast/lunches	8,000	11,830	12,268	438
Miscellaneous revenues	11,700	11,730	45,071	33,341
Investment earnings	2,000	2,000	1,846	(154)
Donations	100	629	689	60
	<u>2,624,095</u>	<u>2,751,400</u>	<u>2,651,657</u>	<u>(99,743)</u>
EXPENDITURES:				
Salaries	1,198,806	1,230,282	1,103,518	(126,764)
Professional services	487,150	479,365	492,514	13,149
Leases	267,800	304,100	318,502	14,402
Lunches	138,000	144,000	155,490	11,490
Payroll taxes	91,711	94,301	83,327	(10,974)
Employee insurance	76,227	72,227	70,984	(1,243)
Utilities	75,900	77,369	77,231	(138)
Nonprofessional services	53,200	48,000	47,217	(783)
Textbooks	25,330	37,330	42,462	5,132
Repairs and maintenance	26,000	35,750	34,178	(1,572)
Remodeling and renovations	5,000	-	-	-
Supplies	48,690	49,690	56,533	6,843
Software	4,000	3,500	7,688	4,188
Computer	26,908	27,908	26,827	(1,081)
Insurance	32,000	33,500	29,060	(4,440)
Travel	15,750	12,250	8,447	(3,803)
Indirect costs	22,387	22,387	16,338	(6,049)
Other employee benefits	15,000	15,000	1,995	(13,005)
Unemployment taxes	18,987	15,287	6,039	(9,248)
Workers compensation insurance	10,718	6,604	4,905	(1,699)
Equipment	3,000	3,500	3,743	243
Other personnel services	2,000	20,500	20,268	(232)
Dues and fees	6,416	6,416	29,368	22,952
Postage	3,100	4,500	4,342	(158)
Inspections	2,000	2,400	2,458	58
Printing	1,500	1,200	2,533	1,333
Gasoline	1,000	1,000	1,163	163
Improvements	1,000	-	-	-
After school snacks	32,597	32,597	20,264	(12,333)
Administrative expenses	-	-	86,649	86,649
	<u>2,692,176</u>	<u>2,780,962</u>	<u>2,754,043</u>	<u>(26,919)</u>
Change in fund balance	(68,080)	(29,562)	(102,386)	(72,824)
FUND BALANCE, July 1, 2008	-	-	275,966	275,966
FUND BALANCE, June 30, 2009	\$ <u>(68,080)</u>	\$ <u>(29,562)</u>	\$ <u>173,580</u>	\$ <u>203,142</u>

OTHER AUDITORS' REPORTS



KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.
JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
KENNETH G. SMITH, C.P.A.
LOUIS R. PROIETTO, C.P.A.

CYNTHIA L. CALVERT, C.P.A.
ISRAEL J. GOMEZ, C.P.A.
JOHN E. McCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A. (RETIRED)
PAUL B. SNEIDER, C.P.A. (RETIRED)
BRIAN D. PINNELL, C.P.A. (RETIRED)

JAMES R. LARAWAY, C.P.A.
HILLARY B. DAIGLE, C.P.A.

ROSS S. GOTTHOFFER, C.P.A.

6550 NORTH FEDERAL HIGHWAY
SUITE 410
FORT LAUDERDALE, FLORIDA 33308
(954) 771-0896
FAX: (954) 938-9353
E-MAIL: kmc@kmccpa.com

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Florida International Academy, Inc.
Miami, Florida

We have audited the financial statements of the governmental activities and the General Fund of Florida International Academy, Inc. (the "School") (a not-for-profit corporation and a component unit of the Miami-Dade County Public School District), as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 affects the School'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 School's financial statements that is more than inconsequential will not be prevented or detected by the School'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 School's internal control.

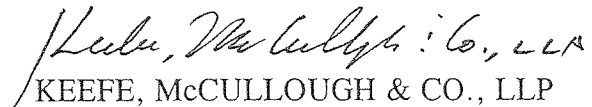
Florida International Academy, Inc.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify 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 School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
August 27, 2009



KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.
JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
KENNETH G. SMITH, C.P.A.
LOUIS R. PROIETTO, C.P.A.

CYNTHIA L. CALVERT, C.P.A.
ISRAEL J. GOMEZ, C.P.A.
JOHN E. McCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A. (RETIRED)
PAUL B. SNEIDER, C.P.A. (RETIRED)
BRIAN D. PINNELL, C.P.A. (RETIRED)

JAMES R. LARAWAY, C.P.A.
HILLARY B. DAIGLE, C.P.A.

ROSS S. GOTTHOFFER, C.P.A.

6550 NORTH FEDERAL HIGHWAY
SUITE 410
FORT LAUDERDALE, FLORIDA 33308
(954) 771-0896
FAX: (954) 938-9353
E-MAIL: kmc@kmccepa.com

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors
Florida International Academy, Inc.
Miami, Florida

We have audited the basic financial statements of governmental activities, the General Fund, and the aggregate remaining fund information of Florida International Academy, Inc. (the "School"), a component unit of the School Board of Miami-Dade County, Florida, as of June 30, 2009, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 27, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 27, 2009, should be considered in conjunction with this management letter.

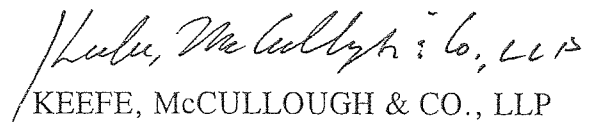
Additionally, our audit was conducted in accordance with Chapter 10.850, Rules of the Auditor General, which governs the conduct of charter school audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or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

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. Corrective actions have been taken to address findings and recommendations made 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 laws, regulations, 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 more than inconsequential. In connection with our audit, we did not have any such findings.

Florida International Academy, Inc.

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 are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. 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 Florida International Academy, Inc..
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 Florida International Academy, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
7. Pursuant to Sections 10.854(1)(3)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Florida International Academy, Inc.'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.

This management letter is intended solely for the use and information of the School's management, the Board of Directors, the Auditor General of the State of Florida and the School Board of Miami-Dade County, and is not intended to be and should not be used by anyone other than these specified parties. However, pursuant to Chapter 119, Florida Statutes, this report is a matter of public record and its distribution is not limited.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
August 27, 2009