

**FLORIDA SCHOOL FOR INTEGRATED  
ACADEMICS AND TECHNOLOGIES  
MIAMI-DADE, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2009**

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
JUNE 30, 2009**

**GOVERNING BOARD**

<b>MEMBER</b>	<b>OFFICE</b>
Dr. Linda Dawson	President
Jimmy Ray Burke	Vice President
Myra Camino	Secretary
David Jenkins	Treasurer
Steven Cosme	Director
Alicia Vega	Director
Marilyn Smith	Director
Genesis Anderson	Director
Vacant	Director

**ADMINISTRATION**

Marjorie Lopez	Principal
Catherine Bonnewell	Principal

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
TABLE OF CONTENTS  
JUNE 30, 2009**

	<b>Page(s)</b>
<b>Independent Auditors' Report</b>	1 – 2
<b>Management's Discussion and Analysis</b>	3 – 8
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements	
Governmental Funds - Balance Sheet	11
Governmental Funds - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	12
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the District-Wide Statement of Activities	14
Notes to Financial Statements	15 – 21
<b>Required Supplementary Information</b>	
General Fund - Budgetary Comparison Schedule	23
<b>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 <i>Government Auditing Standards</i></b>	24 – 25
<b>Management Letter of Independent Auditors Required by Chapter 10.850, Rules of the Auditor General</b>	26 – 27

JAMES MOORE & CO., P.L.  
CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

**INDEPENDENT AUDITORS' REPORT**

Governing Board,  
Florida School for Integrated Academics and  
Technologies Miami-Dade, Inc.:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Florida School for Integrated Academics and Technologies Miami-Dade, Inc. (a component unit of the School Board of Miami-Dade County, Florida) (the "School"), 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 respective financial position of the governmental activities and each major fund of the Florida School for Integrated Academics and Technologies Miami-Dade, Inc., as of June 30, 2009, and the respective changes in financial position thereof 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 26, 2009, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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.

The Management's Discussion and Analysis and, as listed in the table of contents, the required supplementary information, are 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 required 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 collectively comprise the School's basic financial statements. The other supplementary information listed in the table of contents, is presented for purposes of additional analysis and is not 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.

*James Moore + Co., P.L.*

Gainesville, Florida  
August 26, 2009

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009**

This section of Florida School for Integrated Academics and Technologies Miami-Dade, Inc.'s annual financial report presents our discussion and analysis of the School's financial performance during the fiscal year that ended on June 30, 2009. Please read it in conjunction with the School's financial statements, which immediately follow this section.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**The Financial Statements**

The financial statements presented herein include all of the activities of the Florida School for Integrated Academics and Technologies Miami-Dade, Inc. (the "School") using the integrated approach as prescribed by GASB Statement Number 34.

The Government-Wide Financial Statements present the financial picture of the School from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the School as well as all liabilities. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables. Governmental Activities are prepared using the economic resources measurement focus and the accrual basis of accounting.

The Fund Financial Statements include statements for the governmental activities. The Governmental Funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

The Primary unit of the government is the Florida School for Integrated Academics and Technologies Miami-Dade, Inc.

**FINANCIAL HIGHLIGHTS OF THE PAST YEAR**

An overview of significant financial information from the current year includes:

- The School's total net assets increased by \$64 thousand.
- Total Governmental Fund Expenditures exceeded Revenues by \$392 thousand.
- Capital Assets, net of depreciation, increased by \$456 thousand.
- The School's governmental funds reported combined ending fund balances of \$452 thousand.
- The School was in solid financial health at fiscal year-end with an ending general fund balance of 7.8% as a percentage of current year expenditures.

FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009  
(Continued)

REPORTING THE SCHOOL AS A WHOLE

**The Statement of Net Assets and the Statement of Activities**

The *Statement of Net Assets* and the *Statement of Activities* report information about the School as a whole and about its activities. These statements include *all* assets and liabilities of the School using the accrual basis accounting, which is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School's *net assets* and changes in them. Net assets is the difference between assets and liabilities, one way to measure the School's financial health, or *financial position*. Over time, *increases or decreases* in the School's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the School's revenue base and the condition of the School's capital assets.

The relationship between revenues and expenses is the School's operating results. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the School. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Assets* and the *Statement of Activities*, we designate the School activities as follows:

**Governmental activities**—All of the School's services are reported in this category. This includes the education of high school students, and the on-going effort to improve and maintain capital assets. Revenues received from the Florida Education Finance Program through the Miami-Dade Public School system, Federal grants and miscellaneous local revenues finance these activities.

REPORTING THE SCHOOL'S MOST SIGNIFICANT FUNDS

**Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the School a whole. Some funds are required to be established by State law. However, management may establish various funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other monies that it receives.

**Governmental funds**—The School's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. The differences between the governmental fund financial statements and the government-wide financial statements are explained in reconciliations following each governmental fund financial statement.

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009  
(Continued)**

THE SCHOOL AS A WHOLE

**Net Assets**

The School's net assets were \$1.16 million for the fiscal year ended June 30, 2009. Of this amount, \$177 thousand was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants grantors, constitutional provisions and enabling legislation that limit the School's ability to use those net assets for day-to-day operations. Our analysis below, in summary form, focuses on the net assets (Table 1) and change in net assets (Table 2) of the School's governmental activities.

**Table 1**

	Net Assets June 30, 2008	Net Assets June 30, 2009
Current and other assets	\$ 1,079,319	\$ 473,855
Capital assets	252,897	708,712
Total assets	1,332,216	1,182,567
Current liabilities	235,387	22,085
Total Liabilities	235,387	22,085
Net assets		
Invested in capital assets, net of related debt	252,897	708,712
Restricted for capital outlay	643,448	274,406
Unrestricted	200,484	177,364
Total Net Assets	\$ 1,096,829	\$ 1,160,482

The \$177,364 thousand in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations.

**Changes in Net Assets**

The results of this year's operations for the School as a whole are reported in the Statement of Activities on page 10. Table 2 takes the information from the Statement and rearranges it slightly to more readily identify the total revenues for the year.



**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009  
(Continued)**

**Table 2**

	<b>Governmental Activities June 30, 2008</b>	<b>Governmental Activities June 30, 2009</b>
Revenues		
General Revenues:		
State of Florida Education Finance Program	\$ 2,556,258	\$ 2,245,317
Public Education Capital Outlay	356,418	292,939
Other general revenues	39,369	6,138
Total Revenues	2,952,045	2,544,394
Expenses		
Instruction-related Services	1,637,054	1,422,356
Support Services	918,038	793,457
Maintenance, Facilities and Operation of Plant	71,921	134,431
Depreciation	87,826	130,497
Total Expenses	2,714,839	2,480,741
Change in Net Assets	\$ 237,206	\$ 63,653

**Governmental Activities**

In Table 3, we have presented the cost of the School's three largest operating functions - basic instruction, school administration and general administration, as well as each program's net cost (total cost less revenues generated by the activities) at June 30, 2009. As shown, these three functions generate no revenues, indicating that total cost and net costs are the same. Net cost shows the financial burden that was placed on the general public by each of these functions. Providing this information allows citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3**

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Basic Instruction	\$ 1,397,426	\$ 1,397,426
School Administration	582,662	582,662
General Administration	112,750	112,750
Total	\$ 2,092,838	\$ 2,092,838

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009  
(Continued)**

**THE SCHOOL'S FUNDS**

As the School completed this year, the governmental funds reported a combined fund balance of \$452 thousand (Table 4).

**Table 4**

	<b>Fund Balance June 30, 2009</b>
General Fund	\$ 177,364
Capital Projects Fund	274,406
Totals	\$ 451,770

**General Fund Budgetary Highlights**

During the course of the fiscal year, the School revised its General Fund Budget in order to deal with unexpected changes in revenue and expenditures. The Governing Board adopts its initial budget based on projected enrollment and the corresponding projected revenues. Amendments are primarily required to reflect changes in revenue estimates from the State of Florida Education Finance Program (FEFP) as actual enrollments are determined. A schedule showing the School's original and final budget amounts compared with actual amounts paid and received is provided in our annual report on page 23.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2009, the School had \$708,712 in a broad range of capital assets (net of depreciation), including building construction in progress, improvements, and furniture & equipment (Table 5).

**Table 5**

	<b>Governmental Activities</b>
Furniture and Equipment	\$ 207,660
Library Book Stock	4,932
Improvements	496,120
Totals	\$ 708,712

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2009  
(Continued)**

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2008-2009 ARE NOTED BELOW:

- The School's enrollment was 363 students.
- The School has a graduating class of 161 students for the 2008/09 fiscal year.

**ECONOMIC FACTORS**

The economic position of the school for general operating is closely tied to that of the State. The formula for determining funding for education is set by Statute. State funds to charter schools are provided primarily by legislative appropriations from the State's general revenue funds under the Florida Education Finance Program (FEFP), and the State funding for operations is primarily from sales, gasoline, and corporate income taxes. Additionally, the level of tourism in the State heavily influences the amount of taxes collected. Significant changes in State revenue collections could directly impact future School revenue allocations.

**CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact Richard L. Trainor, CPA, Chief Financial Officer, Florida School for Integrated Academics and Technologies Miami-Dade, Inc. at 770-831-7046.

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
STATEMENT OF NET ASSETS  
JUNE 30, 2009**

<b>Assets</b>	
Current Assets	
Cash	\$ 24,187.49
Due from Other Agencies	433,390.34
Deposits	6,000.00
Prepaid Expenses	10,276.85
Total Current Assets	<u>473,854.68</u>
Capital assets	1,058,438.06
Less: Accumulated depreciation	<u>(349,725.83)</u>
Total capital assets	<u>708,712.23</u>
<b>Total Assets</b>	<u><u>\$ 1,182,566.91</u></u>
<b>Liabilities</b>	
Current Liabilities	
Payroll Deductions and Withholdings	\$ 1,736.54
Accounts Payable	<u>20,348.62</u>
Total Current Liabilities	<u>22,085.16</u>
<b>Net Assets</b>	
Invested in capital assets	708,712.23
Restricted for Capital Projects	274,405.48
Unrestricted	<u>177,364.04</u>
Total Net Assets	<u>1,160,481.75</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,182,566.91</u></u>

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

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>				
Instruction	\$ 1,397,462.27	\$ -	-	\$ (1,397,462.27)
Instruction and Curriculum Development Services	24,894.00	-	-	(24,894.00)
Board	36,696.69	-	-	(36,696.69)
General Administration	112,750.41	-	-	(112,750.41)
School Administration	582,661.88	-	-	(582,661.88)
Facilities Acquisition and Construction	66,708.99	-	292,939.00	226,230.01
Fiscal Services	24,894.00	-	-	(24,894.00)
Central Services	36,452.92	-	-	(36,452.92)
Operation of Plant	67,061.67	-	-	(67,061.67)
Maintenance of Plant	660.81	-	-	(660.81)
Depreciation (unallocated)	130,497.37	-	-	(130,497.37)
<b>Total Governmental Activities</b>	<b>\$ 2,480,741.01</b>	<b>\$ -</b>	<b>\$ 292,939.00</b>	<b>(2,187,802.01)</b>

General revenues:	
State aid not restricted to specific purposes	2,245,317.00
Miscellaneous	6,138.00
<b>Total General Revenues</b>	<b>2,251,455.00</b>
<b>Change in Net Assets</b>	<b>63,652.99</b>
Net Assets - Beginning	1,096,828.76
Net Assets - Ending	\$ 1,160,481.75

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

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2009**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Current Assets			
Cash	\$ 24,187.49	\$ -	\$ 24,187.49
Due from Other Agencies	62,352.42	371,037.92	433,390.34
Due from Other Funds	96,182.44	-	96,182.44
Deposits	6,000.00	-	6,000.00
Prepaid Expenditures	10,276.85	-	10,276.85
<b>Total Assets</b>	<u>\$ 198,999.20</u>	<u>\$ 371,037.92</u>	<u>\$ 570,037.12</u>
<b>Liabilities and Fund Balances</b>			
Current Liabilities			
Payroll Deductions and Withholdings	1,736.54	-	1,736.54
Accounts Payable	19,898.62	450.00	20,348.62
Due to Other Funds	-	96,182.44	96,182.44
<b>Total Liabilities</b>	<u>21,635.16</u>	<u>96,632.44</u>	<u>118,267.60</u>
<b>Fund Balances</b>			
Unreserved, Undesignated	177,364.04	274,405.48	451,769.52
<b>Total Liabilities and Fund Balances</b>	<u>\$ 198,999.20</u>	<u>\$ 371,037.92</u>	<u>\$ 570,037.12</u>

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

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
 AND TECHNOLOGIES MIAMI-DADE, INC.  
 GOVERNMENTAL FUNDS  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS  
 BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
 JUNE 30, 2009**

**Total Fund Balance - Governmental Funds** \$ 451,769.52

Amounts reported for Governmental Activities in the  
Statement of Assets are Different Because:

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported as assets in  
governmental funds

Cost of capital assets	1,058,438.06	
Accumulated depreciation	<u>(349,725.83)</u>	<u>708,712.23</u>

**Total Net Assets - Governmental Activities** \$ 1,160,481.75

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

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
JUNE 30, 2009**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
State	\$ 2,245,317.00	\$ 292,939.00	\$ 2,538,256.00
Local	171.59	5,966.41	6,138.00
Total revenues	<u>2,245,488.59</u>	<u>298,905.41</u>	<u>2,544,394.00</u>
<b>Expenditures</b>			
Instruction	1,379,376.79	-	1,379,376.79
Instruction and Curriculum			
Development Services	24,894.00	-	24,894.00
Board	36,696.69	-	36,696.69
General Administration	112,750.41	-	112,750.41
School Administration	582,661.88	-	582,661.88
Facilities Acquisition and Construction	3,159.80	667,947.61	671,107.41
Fiscal Services	24,894.00	-	24,894.00
Central Services	36,452.92	-	36,452.92
Operation of Plant	67,061.67	-	67,061.67
Maintenance of Plant	660.81	-	660.81
Total expenditures	<u>2,268,608.97</u>	<u>667,947.61</u>	<u>2,936,556.58</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(23,120.38)</u>	<u>(369,042.20)</u>	<u>(392,162.58)</u>
<b>Fund Balance, Beginning</b>	200,484.42	643,447.68	843,932.10
<b>Fund Balance, Ending</b>	<u>\$ 177,364.04</u>	<u>\$ 274,405.48</u>	<u>\$ 451,769.52</u>

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



**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE DISTRICT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

**Total Net Change in Fund Balances - Governmental Funds** \$ (392,162.58)

Amounts Reported for Governmental Activities in the  
Statement of Activities are Different Because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statements of activities.

This is the amount by which capital outlays exceeds depreciation and loss on disposition of capital assets in the period.

Capital outlays	\$ 604,398.42	
Loss on disposition of capital assets	(18,085.48)	
Depreciation expense	<u>(130,497.37)</u>	<u>455,815.57</u>

**Change in Net Assets of Governmental Activities** \$ 63,652.99

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

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

(1) **Summary of Significant Accounting Policies:**

(a) **Financial reporting entity**—The Florida School for Integrated Academics and Technologies Miami-Dade, Inc. (the “School”) was organized in 2004 under the laws of the State of Florida. The School operates under a nine-member Board form of government and provides educational services to students in grades nine through twelve. The School operated two program sites. The Opa Locka site, located at 3050 NW 183<sup>rd</sup> Street, Opa Locka Florida, 33056, and the Homestead site, located at 12350 SW 285<sup>th</sup> Street, Homestead, Florida, 33033. Total enrollment for the School was 363 students.

The School is a non-profit public benefit corporation that was incorporated February 9, 2004. On March 13, 2003, the School Board of Miami-Dade County, Florida granted to the School a charter to operate. The purpose of the School is to provide educational services as a partner with the Florida Job Corps center. The School is exempt from income tax liability under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the School consists of all funds, departments, boards, and agencies that are not legally separate from the School. For Florida School for Integrated Academics and Technologies Miami-Dade, Inc., this includes general operations and student related activities of the School.

(b) **Component units**—Component units are legally separate organizations for which the School is financially accountable. Component units may include organizations that are fiscally dependent on the School in that the School approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the School is not financially accountable but the nature and significance of the organization’s relationship with the School is such that exclusion would cause the School’s financial statements to be misleading or incomplete. The School has no component units. However, the School is considered a component unit of the Miami-Dade Public School system.

(c) **Basis of presentation – fund accounting**—The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The School has two governmental funds.

*Governmental funds*—Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School’s major governmental funds:

FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

(1) Summary of Significant Accounting Policies: (Continued)

(1) **General fund**—The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School for any purpose provided it is expended or transferred according to the general laws of Florida.

(2) **Public Education Capital Outlay (PECO) fund** – The PECO fund accounts for the revenue sources that are legally restricted to capital asset expenditures in accordance with the State's rules and regulations.

**Basis of accounting – measurement focus**—*Government-wide financial statements* - The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The government-wide financial statement of activities presents a comparison between direct expenses and program revenues for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The School does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs 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 program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the School.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

*Fund financial statements* - Fund financial statements report detailed information about the School. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

*Governmental funds* - All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds prepared on a modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

(1) **Summary of Significant Accounting Policies:** (Continued)

*Revenues - exchange and non-exchange transactions*-Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities within ninety days of fiscal year-end.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include Florida Education Finance Program funds (FEFP), certain grants, entitlements, and donations. Revenue from the FEFP is recognized in the fiscal year in which the revenues are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: State FEFP distributions, interest, certain grants, and other local sources.

*Expenses/expenditures* - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

(d) **Cash and cash equivalents**—The School's cash and cash equivalents are considered to be cash on hand and demand deposits.

(e) **Restricted assets**—Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation.

(f) **Capital assets and depreciation**—The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the School as a whole. The School maintains a capitalization threshold of \$1000. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

(1) **Summary of Significant Accounting Policies:** (Continued)

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of Furniture and Equipment and certain Improvements are five years. Buildings and remaining improvements have estimated lives of twenty years.

(g) **Accrued liabilities**—All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

(h) **Net assets**—Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

(i) **Estimates**—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(j) **Budgetary data**—The budgetary process is prescribed by provisions of the laws of Florida and requires the governing board to adopt an operating budget each year. The School governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major function at year end.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

(k) **Property tax**—Property taxes attach as an enforceable lien on property on January 1. Taxes are collected beginning November 1 through March 31 and become delinquent after March 31. The County of Miami-Dade bills and collects taxes on behalf of the Miami-Dade School District who passes through to the School its proportionate share of tax revenue. Local property tax revenues are recorded when received.

(l) **Subsequent events**—Subsequent events have been evaluated through August 26, 2009, which is the date the financial statements were available to be issued.

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

(2) **Cash and Cash Equivalents:**

(a) **Policies and practices**—The School maintains demand deposits with qualified depository financial institutions.

(b) **Deposits** - At year-end, the carrying amounts of the School's demand deposits were \$24,187 for governmental activities. The bank balances totaled \$71,367. All of the bank balance was covered by Federal deposit insurance.

(3) **Capital Assets:**

All capital asset additions were acquired with public funds. Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Construction in progress	\$ 82,663.98	\$ -	\$ 82,663.98	\$ -
Capital assets being depreciated				
Buildings and improvements	47,969.25	504,473.40	-	552,442.65
Library Books	-	5,102.04	-	5,102.04
Furniture and equipment	395,748.35	177,486.96	72,341.94	500,893.37
Total capital assets being depreciated	<u>443,717.60</u>	<u>687,062.40</u>	<u>72,341.94</u>	<u>1,058,438.06</u>
Less: Accumulated depreciation				
Buildings and improvements	34,116.87	22,205.69	-	56,322.56
Library Books	-	170.07	-	170.07
Furniture and equipment	239,368.06	108,121.62	54,256.46	293,233.22
Total accumulated depreciation	<u>273,484.93</u>	<u>130,497.38</u>	<u>54,256.46</u>	<u>349,725.85</u>
<b>Governmental activities</b>				
<b>Capital assets, net</b>	<u>\$ 252,896.65</u>	<u>\$ 556,565.02</u>	<u>\$ 100,749.46</u>	<u>\$ 708,712.21</u>

During the year ended June 30, 2009, \$130,497.38 was charged to depreciation expense.

<b>Governmental Activities</b>	
Unallocated	<u>\$ 130,497.38</u>

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS  
AND TECHNOLOGIES MIAMI-DADE, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

(4) **Employee Retirement Systems:**

(a) **Social security**—As established by Federal law, all public sector employees who are not members of their employer's existing retirement system must be covered by Social Security or an alternative plan. The School has elected to use Social Security as its alternative plan.

(b) **State retirement plan**—All regular employees of the School are covered by the Florida Retirement System (FRS). The FRS is primarily a State-administered, cost-sharing, multiple-employer, defined benefit retirement plan (Plan). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS. Benefits in the defined benefit plan vest at six years of service. The defined benefit plan also includes an early retirement provision, but imposes a penalty for each year a member retires before the specified retirement age. The defined benefit plan provides retirement, disability, and death benefits and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

The School is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the FRS. The contribution rates for members are established, and may be amended, by the State of Florida. During the 2008-2009 fiscal year, the required contribution rate was 9.85 percent of annual payroll. The State statute establishes the contribution requirements of the plan members. The School's contributions for the fiscal year ending June 30, 2009, was \$101,133 and equaled 100 percent of the required contribution.

**Post-Employment Benefits**

Pursuant to Section 112.363, Florida Statutes, the Florida Legislature established the Retiree Health Insurance Subsidy (HIS) to assist retirees of all State-administered retirement systems in paying health insurance costs. During the 2008-09 fiscal year, the HIS program was funded by required contributions consisting of 1.11% assessed against the payroll for all active employees covered in State-administered retirement systems. This assessment is included in the Florida Retirement System contribution rates presented above. Eligible retirees, spouses, or financial dependents under any State administered retirement system must provide proof of health insurance coverage, which can include Medicare. During the 2008-09 fiscal year, participants received an extra \$5 per month for each year of creditable service completed at the time of retirement; however, no eligible retiree or beneficiary may receive a subsidy payment of more than \$150 or less than \$30. If contributions fail to provide full subsidy benefits to all participants, the subsidy payments may be reduced or canceled.

The financial statements and other supplemental information of the FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained by contacting the Department of Financial Services in Tallahassee, Florida. Also, an annual report on the FRS, which includes its financial statements, required supplemental information, actuarial report, and other relevant information, may be obtained from the State of Florida, Division of Retirement in Tallahassee, Florida.

JAMES MOORE & CO., P.L.  
CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

**MANAGEMENT LETTER OF INDEPENDENT AUDITORS  
REQUIRED BY CHAPTER 10.850, RULES OF THE AUDITOR GENERAL**

To the Board of Directors,  
Florida School for Integrated Academics  
and Technologies Miami-Dade, Inc.:

We have audited the financial statements of the governmental activities and each major fund of the Florida School for Integrated Academics and Technologies Miami-Dade, Inc. (the School), a component unit of School Board of Miami-Dade County, Florida, 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 26, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. We have issued our 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*, which is dated August 26, 2009. Disclosures in this report, if any, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General. Those rules (Section 10.854 (1) (e) 1.) require that we address in the management letter whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no findings in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.854 (1) (e) 2.) require that we comment as to whether or not one or more conditions described in Section 218.503(1), Florida Statutes, regarding the determination of financial emergency have been met. In connection with our audit, we determined that the School has not met one or more of the conditions described in Section 218.503(1), Florida Statutes, regarding the determination of financial emergency.

The Rules of the Auditor General (Section 10.854 (1) (e) 3.) require disclosure in the management letter for any recommendations to improve the School's financial management. We noted no findings or recommendations for the fiscal year ended June 30, 2009.

The Rules of the Auditor General (Section 10.854 (1) (e) 4.) require that we disclose any violations of provisions of contracts or grant agreements, or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not discover any such violations that are required to be reported.



The Rules of the Auditor General (Sections 10.854 (1) (e) 5.) require disclosure in the management letter of the following matters that are inconsequential effect on the financial statements considering both quantitative and qualitative factors including the following: (a) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; (b) control deficiencies that are not significant deficiencies. In connection with our audit, we did not discover any such matters that are required to be reported.

The Rules of the Auditor General (Section 10.854 (1) (e) 6.) also require that the name or official title for the School be disclosed in the management letter. The official title of the School is Florida School for Integrated Academics and Technologies Miami-Dade, Inc., which is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Act, and Section 1002.33, Florida Statutes.

The Rules of the Auditor General (Section 10.854 (1) (e) 7.) also require (a) a statement that the auditor applied financial condition assessment procedures pursuant to Rule 10.855 (10); and (b) if deteriorating financial conditions are noted, a statement that the charter school's financial condition is deteriorating and a description of conditions causing the auditor to make this conclusion. If the auditor has reported that the charter conditions specified in Section 218.503 (1), Florida Statutes (Sec. (1) (e) 2. above), this statement shall indicate whether such financial emergency condition resulted from a deteriorating financial condition. Findings regarding deteriorating financial condition shall be prepared in accordance with Rule 10.856 (3) (c). In connection with our audit, we applied financial assessment procedures noting no conditions that are required to be reported.

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

*James Moore + Co., P.L.*

Gainesville, Florida  
August 26, 2009