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

FINANCIAL STATEMENTS

JUNE 30, 2010

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS
AND TECHNOLOGIES MIAMI-DADE, INC.
JUNE 30, 2010**

GOVERNING BOARD

MEMBER	OFFICE
Dr. Linda Dawson	President
Marilyn Smith	Vice President
Myra Camino	Secretary
David Jenkins	Treasurer
Steven Cosme	Director
Alicia Vega	Director
Cynthia Brown	Director
Shable Harris	Director
Vacant	Director

ADMINISTRATION

Catherine Bonnewell	Principal
Andrea Loring	Principal

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS
AND TECHNOLOGIES MIAMI-DADE, INC.
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JUNE 30, 2010**

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

INDEPENDENT AUDITORS' REPORT

To the 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, 2010, 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, 2010, 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 27, 2010, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and page 23, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to

the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Jones Mann + Co., P.L.

Gainesville, Florida
August 27, 2010

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS
AND TECHNOLOGIES MIAMI-DADE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

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, 2010. 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 \$168 thousand.
- Total governmental fund revenues exceeded expenditures by \$50 thousand.
- Capital Assets, net of depreciation, increased by \$117 thousand.
- The School's governmental funds reported combined ending fund balances of \$502 thousand.
- The School was in solid financial health at fiscal year-end with an ending general fund balance of 7.3% as a percentage of current year expenditures.

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS
AND TECHNOLOGIES MIAMI-DADE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010
(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, 2010
(Continued)**

THE SCHOOL AS A WHOLE

Net Assets

The School's net assets were \$1.33 million for the fiscal year ended June 30, 2010. Of this amount, \$179 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, 2009	Net Assets June 30, 2010
Current and other assets	\$ 473,855	\$ 834,965
Capital assets	708,712	825,931
Total Assets	1,182,567	1,660,896
Current liabilities	22,085	332,803
Total Liabilities	22,085	332,803
Net assets		
Invested in capital assets, net of related debt	708,712	825,931
Restricted for capital outlay	274,406	323,272
Unrestricted	177,364	178,890
Total Net Assets	\$ 1,160,482	\$ 1,328,093

The \$178,890 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, 2010
(Continued)**

Table 2

	Governmental Activities June 30, 2009	Governmental Activities June 30, 2010
Revenues		
General Revenues:		
State of Florida Education Finance Program	\$ 2,245,317	\$ 2,447,716
Public Education Capital Outlay	292,939	293,352
Other general revenues	6,138	1,597
Total Revenues	2,544,394	2,742,665
Expenses		
Instruction-related Services	1,422,356	1,664,607
Support Services	793,457	711,675
Maintenance, Facilities and Operation of Plant	134,431	82,043
Depreciation	130,497	116,729
Total Expenses	2,480,741	2,575,054
 Change in Net Assets	 \$ 63,653	 \$ 167,611

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, 2010. 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

	Total Cost of Services	Net Cost of Services
Basic Instruction	\$ 1,617,776	\$ 1,617,776
School Administration	454,785	454,785
General Administration	122,148	122,148
Total	\$ 2,194,709	\$ 2,194,709

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS
AND TECHNOLOGIES MIAMI-DADE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010
(Continued)**

THE SCHOOL'S FUNDS

As the School completed this year, the governmental funds reported a combined fund balance of \$502 thousand (Table 4).

Table 4

	Fund Balance June 30, 2009	Fund Balance June 30, 2010
General Fund	\$ 177,364	\$ 178,889
Capital Projects Fund	274,406	323,273
Totals	\$ 451,770	\$ 502,162

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, 2010, the School had \$825,931 in a broad range of capital assets (net of depreciation), including buildings and improvements, and furniture & equipment (Table 5).

Table 5

	Governmental Activities June 30, 2009	Governmental Activities June 30, 2010
Furniture and Equipment	\$ 207,660	\$ 266,600
Library Book Stock	4,932	3,911
Improvements	496,120	555,420
Totals	\$ 708,712	\$ 825,931

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS
AND TECHNOLOGIES MIAMI-DADE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010
(Continued)**

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2009-2010 ARE NOTED BELOW:

- The School's enrollment was 401 students.
- The School has a graduating class of 178 students for the 2009-2010 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, 2010**

Assets	
Current Assets	
Cash	\$ 159,099.28
Due from Other Agencies	664,643.46
Prepaid Expenses	11,222.12
Total Current Assets	<u>834,964.86</u>
Capital Assets	1,292,386.00
Less: Accumulated Depreciation	<u>(466,455.10)</u>
Total Capital Assets	825,930.90
Total Assets	<u><u>\$ 1,660,895.76</u></u>
Liabilities	
Current Liabilities	
Payroll Deductions and Withholdings	\$ 28,346.49
Accounts Payable	295,382.67
Due to Other Agencies	9,073.56
Total Current Liabilities	<u>332,802.72</u>
Net Assets	
Invested in Capital Assets	825,930.90
Restricted for Capital Projects	323,272.64
Unrestricted	178,889.50
Total Net Assets	<u>1,328,093.04</u>
Total Liabilities and Net Assets	<u><u>\$ 1,660,895.76</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, 2010**

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities				
Instruction	\$ 1,617,776.28	\$ -	\$ -	\$ (1,617,776.28)
Instruction and Curriculum Development Services	46,830.00	-	-	(46,830.00)
Board	37,499.89	-	-	(37,499.89)
General Administration	122,147.51	-	-	(122,147.51)
School Administration	454,785.45	-	-	(454,785.45)
Facilities Acquisition and Construction	11,914.59	-	293,352.00	281,437.41
Fiscal Services	46,830.00	-	-	(46,830.00)
Central Services	50,412.42	-	-	(50,412.42)
Operation of Plant	69,504.23	-	-	(69,504.23)
Maintenance of Plant	624.26	-	-	(624.26)
Depreciation (unallocated)	116,729.27	-	-	(116,729.27)
Total Governmental Activities	\$ 2,575,053.90	\$ -	\$ 293,352.00	\$ (2,281,701.90)
General revenues:				
State aid not restricted to specific purposes				2,447,715.64
Miscellaneous				1,597.55
Total General Revenues				2,449,313.19
Change in Net Assets				167,611.29
Net Assets - Beginning				1,160,481.75
Net Assets - Ending				\$ 1,328,093.04

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, 2010**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets			
Current Assets			
Cash	\$ 159,099.28	\$ -	\$ 159,099.28
Due from Other Agencies	-	664,643.46	664,643.46
Due from Other Funds	190,284.91	-	190,284.91
Prepaid Expenditures	11,222.12	-	11,222.12
Total Assets	<u>\$ 360,606.31</u>	<u>\$ 664,643.46</u>	<u>\$ 1,025,249.77</u>
Liabilities and Fund Balances			
Current Liabilities			
Salaries and Wages Payable	\$ 4,110.64	\$ -	\$ 4,110.64
Payroll Deductions and Withholdings	24,235.85	-	24,235.85
Accounts Payable	144,296.76	151,085.91	295,382.67
Due to Other Funds	-	190,284.91	190,284.91
Due to Other Agencies	9,073.56	-	9,073.56
Total Liabilities	<u>181,716.81</u>	<u>341,370.82</u>	<u>523,087.63</u>
Fund Balances			
Unreserved, Undesignated	178,889.50	323,272.64	502,162.14
Total Liabilities and Fund Balances	<u>\$ 360,606.31</u>	<u>\$ 664,643.46</u>	<u>\$ 1,025,249.77</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, 2010**

Total Fund Balance - Governmental Funds	\$ 502,162.14
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Amounts reported for Governmental Activities in the
Statement of Net Assets are Different Because:

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

Cost of capital assets	1,292,386.00	
Accumulated depreciation	<u>(466,455.10)</u>	<u>825,930.90</u>
Total Net Assets - Governmental Activities		<u><u>\$ 1,328,093.04</u></u>

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, 2010**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues			
State	\$ 2,447,715.64	\$ 293,352.00	\$ 2,741,067.64
Local	1,344.01	253.54	1,597.55
Total Revenues	<u>2,449,059.65</u>	<u>293,605.54</u>	<u>2,742,665.19</u>
Expenditures			
Instruction	1,617,776.28	-	1,617,776.28
Instruction and Curriculum			
Development Services	46,830.00	-	46,830.00
Board	37,499.89	-	37,499.89
General Administration	122,147.51	-	122,147.51
School Administration	454,785.45	-	454,785.45
Facilities Acquisition and Construction	1,124.15	244,738.38	245,862.53
Fiscal Services	46,830.00	-	46,830.00
Central Services	50,412.42	-	50,412.42
Operation of Plant	69,504.23	-	69,504.23
Maintenance of Plant	624.26	-	624.26
Total Expenditures	<u>2,447,534.19</u>	<u>244,738.38</u>	<u>2,692,272.57</u>
Excess of Revenues Over Expenditures	<u>1,525.46</u>	<u>48,867.16</u>	<u>50,392.62</u>
Fund Balance, Beginning	177,364.04	274,405.48	451,769.52
Fund Balance, Ending	<u>\$ 178,889.50</u>	<u>\$ 323,272.64</u>	<u>\$ 502,162.14</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, 2010**

Total Net Change in Fund Balances - Governmental Funds **\$ 50,392.62**

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 of capital assets in the period.

Capital outlays	\$ 233,947.94	
Depreciation expense	<u>(116,729.27)</u>	<u>117,218.67</u>

Change in Net Assets of Governmental Activities **\$ 167,611.29**

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, 2010**

(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 183rd Street, Opa Locka Florida, 33056, and the Homestead site, located at 12350 SW 285th Street, Homestead, Florida, 33033. Total enrollment for the School was 401 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, 2010**

(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, 2010**

(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/expenditure—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 \$1,000. 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, 2010**

(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 27, 2010, which is the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS
AND TECHNOLOGIES MIAMI-DADE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

(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 \$159,099 for governmental activities. The bank balances totaled \$368,242. Of the bank balances, \$250,000 was covered by Federal deposit insurance and the remaining \$118,242 was covered by pooled and/or pledged collateral, but not necessarily held in the School's name.

(3) **Capital Assets:**

All capital asset additions were acquired with public funds. Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2010</u>
Governmental Activities				
Capital assets being depreciated				
Buildings and improvements	\$ 552,442.65	\$ 87,650.24	\$ -	\$ 640,092.89
Library Books	5,102.04	-	-	5,102.04
Furniture and equipment	500,893.37	146,297.72	-	647,191.09
Total capital assets being depreciated	<u>1,058,438.06</u>	<u>233,947.96</u>	<u>-</u>	<u>1,292,386.02</u>
Less: Accumulated depreciation				
Buildings and improvements	56,322.56	28,350.54	-	84,673.10
Library Books	170.07	1,020.41	-	1,190.48
Furniture and equipment	293,233.22	87,358.32	-	380,591.54
Total accumulated depreciation	<u>349,725.85</u>	<u>116,729.27</u>	<u>-</u>	<u>466,455.12</u>
Governmental activities				
Capital assets, net	<u>\$ 708,712.21</u>	<u>\$ 117,218.69</u>	<u>\$ -</u>	<u>\$ 825,930.90</u>

During the year ended June 30, 2010, \$116,729.27 was charged to depreciation expense.

Governmental Activities

Unallocated \$ 116,729.27

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS
AND TECHNOLOGIES MIAMI-DADE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

(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 2009-2010 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, 2010, was \$103,382 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 2009-2010 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 2009-2010 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.

REQUIRED SUPPLEMENTARY INFORMATION

**FLORIDA SCHOOL FOR INTEGRATED ACADEMICS
AND TECHNOLOGIES MIAMI-DADE, INC.
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010**

	Budget		Actual (GAAP Basis)	Variances - Positive (Negative)
	Original	Final		Final to Actual
Revenues				
State	\$ 2,408,339.00	\$ 2,441,635.00	\$ 2,447,715.64	\$ 6,080.64
Local	1,000.00	4,000.00	1,344.01	(2,655.99)
Total Revenues	<u>2,409,339.00</u>	<u>2,445,635.00</u>	<u>2,449,059.65</u>	<u>3,424.65</u>
Expenditures				
Instruction	1,540,174.00	1,620,174.00	1,617,776.28	2,397.72
Instruction and Curriculum Development Services	40,139.00	50,139.00	46,830.00	3,309.00
Board	39,700.00	39,700.00	37,499.89	2,200.11
General Administration	120,417.00	123,417.00	122,147.51	1,269.49
School Administration	513,819.00	463,819.00	454,785.45	9,033.55
Facilities Acquisition and Construction	-	2,000.00	1,124.15	875.85
Fiscal Services	40,139.00	50,139.00	46,830.00	3,309.00
Central Services	45,139.00	55,139.00	50,412.42	4,726.58
Operation of Plant	66,988.00	73,988.00	69,504.23	4,483.77
Maintenance of Plant	-	2,000.00	624.26	1,375.74
Total Expenditures	<u>2,406,515.00</u>	<u>2,480,515.00</u>	<u>2,447,534.19</u>	<u>32,980.81</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,824.00</u>	<u>(34,880.00)</u>	<u>1,525.46</u>	<u>36,405.46</u>
Fund balance, Beginning	125,000.00	177,364.04	177,364.04	-
Fund balance, Ending	<u>\$ 127,824.00</u>	<u>\$ 142,484.04</u>	<u>\$ 178,889.50</u>	<u>\$ 36,405.46</u>

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

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

**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 Governing Board,
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, 2010, and have issued our report thereon dated August 27, 2010. 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 opinion 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatement on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. 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, and contracts, 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*.

We noted certain matters that we have reported to management of the School in a separate letter dated August 27, 2010.

This report is intended solely for the information and use of management, the Governing Board, the Florida Department of Education, the Miami Dade County Public School Board, Federal awarding agencies, and others within the School and pass-through entities 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 27, 2010

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 Governing Board,
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, 2010, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 27, 2010.

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 27, 2010. 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, which governs the conduct of charter school and similar entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports:

Section 10.854 (1) (e) 1., Rules of the Auditor General, requires that we determine, whether or not corrective actions have been take to address significant findings and recommendations made in the preceding annual financial audit report. We noted no findings or recommendations for the fiscal year ended June 30, 2009.

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

Section 10.854 (1) (e) 4., Rules of the Auditor General, requires that we address 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 have any such findings.

Sections 10.854 (1) (e) 5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements considering both quantitative and qualitative factors: (1) violations of provisions of contracts

or grant agreements, fraud, illegal acts, or abuse; (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.854 (1) (e) 6., Rules of the Auditor General, requires the name or official title for the School. 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.

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 conditions met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.854 (1) (e) 7a. and 10.855 (10), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, the Miami-Dade County Public School Board 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 27, 2010