

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
A CHARTER SCHOOL
AND COMPONENT UNIT
OF THE MIAMI-DADE COUNTY
SCHOOL BOARD
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2011**

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
MIAMI-DADE COUNTY DISTRICT SCHOOL BOARD
JUNE 30, 2011**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Academir Charter Schools, Inc.
D/B/A Academir Charter School West
Miami, Florida

We have audited the accompanying basic financial statements of the governmental activities and general fund of Academir Charter Schools, Inc. D/B/A Academir Charter School West (the "Charter School"), a component unit of the Miami-Dade County District School Board, Miami, Florida, as of and for the year ended June 30, 2011, which collectively comprise the Charter School's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Charter School's management. Our responsibility is to express opinions on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Charter School, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2011, on our consideration of the Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

INDEPENDENT AUDITORS' REPORT - Continued

The management's discussion and analysis on pages 3 through 8, respectively, 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.

Carol Gardner, CPA

Miami, Florida
August 31, 2011

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2011

As management of the Academir Charter Schools, Inc. D/B/A Academir Charter School West (the "Charter School"), we offer readers of the Charter School's financial statements this narrative overview and analysis of the financial activities of the Charter School for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here through page 8 of this report.

FINANCIAL HIGHLIGHTS

Some highlights for the year ended June 30, 2011 were as follows:

2011 -

- * The Charter School received approximately \$ 646,708 funds from the School Board of Miami Dade County in fiscal year ended June 30, 2011.
- * The Charter School recognized approximately \$ 161,229 in grant funds and other operating revenue for the fiscal year ended June 30, 2011.
- * The Charter School received \$ 275,375 in planning and implementation grants funds, only \$133,536 was recognized and the remaining balance of \$ 141,839 is recorded as unearned revenue.
- * At June 30, 2011 current assets of the Charter School was \$186,478.
- * At June 30, 2011, assets of the Charter School exceeded liabilities by approximately \$33,611.

Overview of the financial statements

The discussion and analysis is intended to serve as an introduction to the Charter School's basic financial statements. The Charter School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements, which consist of the statement of net assets and the statement of activities, are designed to provide readers with a broad overview of the Charter School's finances, in a manner similar to a private sector business.

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2011

The statement of net assets provides information on all the Charter School's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Charter School is improving or deteriorating. However, as a governmental entity, the Charter School's activities are not geared towards generating profit as are the activities of commercial entities. Other factors such as the safety at the Charter School and quality of education, must be considered in order to reasonably assess the Charter School's overall performance.

The statement of activities presents information showing how the Charter School's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School, like other state and local governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Charter School has only one category of funds – governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term, inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Charter School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Charter School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2011**

Notes to the Financial Statements

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

Supplementary Information

In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Charter School's adopted budget to actual results.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of financial position. In the case of the Charter School, assets exceeded liabilities by \$84,497 at the close of the fiscal year. The following table presents an analysis of the condensed government-wide statement of net assets:

	Net Assets June 30, 2011
Curret assets	186,478
Noncurrent assets	
Capital assets, net of depreciation	50,886
Total assets	237,364
Current liabilities	\$ 152,867
Net Assets	
Unrestricted	84,497
Total Net Assets	\$ 84,497

At the end of the fiscal year, the Charter School is able to report a positive balance in the categories of net assets with a net increase for the year.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2011**

Government-wide Financial Analysis - Continued

Resources that are subject to external restrictions on how they may be used are classified as restricted assets. As of June 30, 2011, the Charter school had no restricted assets. The remaining unrestricted balance may be used in any of the Charter School's ongoing operations.

The following table presents information on the condensed government-wide statements of changes in net assets:

	2011
Revenues:	
General revenues	\$ 649,208
Program revenues:	
Charges for services	25,193
Operating grants and contributions	133,536
Total revenues	807,937
 Expenses:	
Instruction	256,148
Instructional staff training services	2,100
Board	52,924
General administration	97,672
School administration	106,806
Facilities Acquisition and Construction	3,945
Facilities Lease/Rental	97,762
Fiscal services	13,967
Food services	22,328
Operation of plant	56,775
Maintenance of plant	292
Unallocated depreciation expense	12,721
Total expenses	723,440
 Change in net assets	 84,497
 Net assets, beginning	 -
Net assets, ending	\$ 84,497

The Charter School's total revenues in the first year of operations were \$807,937 while its total expenses were \$723,440 for a net increase of \$84,497.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2011**

Financial Analysis of the Governmental Funds

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

At the end of fiscal year 2011 the Charter School's governmental fund reported a surplus in the ending fund balance of \$ 33,611.

Budgetary Highlights

Prior to the start of the School's fiscal year, the Board of directors of the School adopted an annual budget. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the School's budget. Budget to actual comparisons for fiscal year 2011 are presented on Page 23.

Variances reported in the budget to actual comparison for fiscal year 2011 resulted primarily from the following:

2011-

- (1) In fiscal year, the enrollment was projected at 95 and the Charter School met the budget projection.
- (2) The operating grants and contributions were under budget because the funds had not been fully expended.
- (3) The board expenditure exceeded the budget by \$44,424 due to unexpected legal fees paid for a zoning change for the facility.
- (4) The general administration expenditure exceeded the budget by \$48,719, because the initial budget did not include management fee. Management normally is accounted for in the budget.
- (5) In general, most expenses were lower than the amount budgeted.

**ACADEMIR CHARTER SCHOOLS, INC. D/B/A ACADEMIR CHARTER SCHOOL WEST
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED JUNE 30, 2011**

School Enrollment

During the fiscal year June 30, 2011, the grade levels at the Charter School were as follows:

Grades	Number of Students
K	54
1	41
TOTAL NUMBER	95

Request for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to 14880 SW 26th Street, Miami, Florida 33185.

Board of Directors

Dr. Tirso Alonso, Board Chair
Mr. Alexander Casas, Vice Chair
Ms. Lissette Gell, Secretary

School Administration

Dr. Carolina Claro, Principal

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST**

A CHARTER SCHOOL AND COMPONENT UNIT OF THE MIAMI-DADE

COUNTY DISTRICT SCHOOL BOARD

BASIC FINANCIAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2011

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental</u> <u>Activities</u>
Assets	
Cash	\$ 186,478
Furniture, fixtures and equipment	63,607
Less accumulated depreciation	<u>(12,721)</u>
Total Assets	<u>\$ 237,364</u>
Liabilities	
Salaries and wages payable	11,028
Unearned Revenue	<u>141,839</u>
Total liabilities	<u>\$ 152,867</u>
Net Assets	
Invested in capital assets, net of related debt	\$ 50,886
Unrestricted	<u>33,611</u>
Total Net Assets	<u>\$ 84,497</u>

See notes to the basic financial statements

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
STATEMENT OF ACTIVITIES
JUNE 30, 2011**

		<u>Program Revenues</u>			
Governmental activities	Expenses	Charges for Services	Operating Grants and Contributi ons	Capital Grants and Contributi ons	Net Revenues (Expenses) and Change in Net Assets
Instruction	\$ 256,148	\$12,215	\$ 39,505	\$ 63,607	\$ (140,821)
Instructional Staff Training Services	2,100		-		(2,100)
Board	52,924	-	500	-	(52,424)
General administration	97,672	-	6,476	-	(91,196)
School administration	106,806	-	13,198	-	(93,608)
Facilities Acquisition and Construction	3,945	-	-	-	(3,945)
Facilities Lease/Rental	97,762	-	10,000	-	(87,762)
Fiscal services	13,967	-	250	-	(13,717)
Food services	22,328	12,978	-	-	(9,350)
Operation of plant	56,775	-	-	-	(56,775)
Maintenance of plant	292	-	-	-	(292)
Unallocated depreciation expense	12,721	-	-	-	(12,721)
Total governmental activities	<u>\$ 723,440</u>	<u>\$ 25,193</u>	<u>\$69,929</u>	<u>\$ 63,607</u>	<u>\$ (564,711)</u>
General revenues:					
School Board of Miami- Dade County - FTE					646,708
Miscellaneous					2,500
Total general revenues					649,208
Change in net assets					84,497
Net assets - beginning					-
Net assets - ending					\$ 84,497

See notes to the basic financial statements

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST**

A CHARTER SCHOOL AND COMPONENT UNIT OF THE MIAMI-DADE

COUNTY DISTRICT SCHOOL BOARD

FUND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 186,478	\$ -	\$ 186,478
Deposits Receivable	-	-	-
Total Assets	<u>\$ 186,478</u>	<u>\$ -</u>	<u>\$ 186,478</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Salaries and wages payable	11,028	-	11,028
Unearned Revenue	-	141,839	141,839
Total liabilities	<u>\$ 11,028</u>	<u>\$ 141,839</u>	<u>\$ 152,867</u>
Fund Balances:			
Unreserved	33,611	-	33,611
Total fund balances	<u>33,611</u>	<u>-</u>	<u>33,611</u>
Total Liabilities and Fund Balances	<u>\$ 44,639</u>	<u>\$ 141,839</u>	<u>\$ 186,478</u>
Total fund balances- Governmental funds			\$ 33,611
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Cost of capital assets		\$ 63,607	
Accumulated depreciation		(12,721)	50,886
Total net assets - governmental activities			<u>\$ 84,497</u>

See notes to the basic financial statements

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE – GOVERNMENTAL FUND
JUNE 30, 2011

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Miami-Dade County Public Schools	\$ 646,708	\$ -	\$ 646,708
Other grants	2,500	133,536	136,036
Other revenue	12,215	12,978	25,193
Total revenues	661,423	146,514	807,937
Expenditures:			
Instruction	216,643	39,505	256,148
Instructional Staff Training Services	2,100	-	2,100
Board	52,424	500	52,924
General administration	91,196	6,476	97,672
School administration	93,608	13,198	106,806
Facilities Acquisition and Construction	3,945	-	3,945
Facilities Lease/Rental	87,762	10,000	97,762
Fiscal services	13,717	250	13,967
Food services	9,350	12,978	22,328
Operation of plant	56,775	-	56,775
Maintenance of plant	292	-	292
Capital outlay:			
Furniture & equipment	-	63,607	63,607
Total current expenditure	627,812	146,514	774,326
Revenues over expenditures	33,611	-	33,611
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ 33,611	\$ -	\$ 33,611
Total net changes in fund balance - governmental funds			\$ 33,611
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital outlays are reported in governmental funds as expenditures however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.			
Cost of capital assets purchased		\$ 63,607	
Provision for depreciation		(12,721)	50,886
Change in net assets of governmental activities			\$ 84,497

See notes to the basic financial statements

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – ORGANIZATION AND OPERATIONS

Nature of Operations

Academir Charter School, Inc. (the “Charter School”) is a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 228.056, Florida Statutes. The Charter School operates under a Charter approved by its sponsor, the Miami-Dade County District School Board. The governing body of the Charter School is the not-for-profit corporation’s Board of Directors which is composed of three (3) members.

The Charter School provides educational services to students in grades kindergarten through sixth. The core philosophy and purpose of the Charter School is to demonstrate that the Charter School’s students can learn at high levels through an academically rigorous and innovative curriculum that incorporates the development of good character.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity:

The Charter School operates under a charter of the sponsoring school district, Miami-Dade County District School Board (the “District”). The current charter is effective until June 30, 2014, and may be renewed in increments of 5 to 15 years by mutual agreement between the Charter School and the District. At the end of the term of the charter, the District may choose not to renew the charter under the grounds specified in the charter in which case the District is required to notify the Charter School in writing at least 90 days prior to the Charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. Academir Charter School, Inc. is considered a component unit of the Miami-Dade County District School Board.

Criteria of determining if other entities are potential component units which should be reported within the Charter School’s financial statements are identified and described in the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the Charter School is financially accountable and other organizations for which the nature and significance of their relationship with the

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Charter School's are such that exclusion would cause the Charter School's financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Charter School.

Basis of Presentation:

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audit for States and Local Governments and provisions of Florida Statutes, the Charter School is presented as a governmental organization for financial statement reporting purposes.

Government-wide Financial Statement:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all activities of the Charter School. The effect of interfund activity, generally, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) operating grants and contributions that are used to meet the operational requirements of a particular function or program, and 2) capital grants and contributions that are restricted to meeting the capital requirements of a particular function or program.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenue is recognized as soon as they are both measurable and available. Revenue is considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Charter School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Financial Statements:

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

Measurement Focus, Basis of Accounting:

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

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

The governmental fund financial statement are presented on the modified accrual basis of accounting under which revenues is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Charter School considers revenues to be available if they are collected within two months of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred.

When both restricted and unrestricted resources are available for use, it is the Charter School’s policy to use restricted resources first, then unrestricted resources as they are needed.

Cash

The Charter School’s cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets

Capital assets, which include land, buildings, building improvements, furniture and fixtures, equipment and library books are reported in the applicable governmental activities in the government-wide financial statements. Capital assets are defined by the Charter School as assets with an initial, individual cost of more than \$500 and a life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, if any, are recorded at estimated fair value at the date of donation.

Capital assets, which include equipment acquired with state shared revenues, are reported in the government-wide financial statements.

Depreciation on equipment is provided on the straight-line basis over the respective estimated useful lives ranging from 3 to 5 years. Within governmental funds, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported within the governmental fund financial statements.

Unearned/Deferred Revenues:

Resources that do not meet revenues recognition requirements (not earned) are recorded as unearned revenues in the government-wide and the fund financial statements. In addition, amounts related to governmental fund receivables that are measurable, but not available (not received within 90 days from fiscal year end), are recorded as deferred revenues in the governmental fund financial statements.

Equity Classifications:

Government-wide financial statement

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowing that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – consists of net assets with constraints placed on their use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation. There are no restricted net assets.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Fund financial statements

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Encumbrances

Encumbrances represent commitments relating to unperformed contracts for goods or services. At June 30, 2011, there were no encumbrances outstanding.

State funding (primary source of revenue):

Student funding is provided by the State of Florida through the School Board of Miami-Dade County, Florida. Such funding is recorded as FTE nonspecific revenue. In accordance with the Charter Agreement, the School Board retains 5% as an administrative fee. This funding is received on a pro rata basis over the twelve-month period and is adjusted for changes in full-time equivalent student population. After review and verification of Full-Time Equivalent (“FTE”) reports and supporting documentation, the Florida Department of Education may adjust subsequent fiscal period allocations of FTE funding for prior year’s errors disclosed by its review as well as to prevent the statewide allocation from exceeding the amount authorized by the State Legislature. Normally, such adjustments are reported in the year the adjustments are made.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 3 - CASH AND CERTIFICATE OF DEPOSIT

As of June 30, 2011, the carrying amount of the Charter School's cash deposit was \$ 186,478 and the respective bank balance totaled \$ 187,426.

The Charter School is operated under a Charter sponsored by the Miami-Dade County School District as described in Note 1. Accordingly, its bank deposits are governed by Chapter 280 of the Florida Statutes. All time and demand deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral having a market value equal to an amount from 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held.

The percentage of eligible collateral (generally, U.S. Government and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its financial condition. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. Therefore, all cash deposits in an approved Florida banking institution are both collateralized and insured and not subject to a concentration of credit risk or a custodial credit risk as defined in Government Accounting Standards Board ("GASB") Statement No. 40. The Charter School has no monetary assets other than cash in an approved depository.

**ACADEMIR CHARTER SCHOOLS, INC. D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 4 – CAPITAL ASSETS

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Furniture, Fixtures, and Equipment	<u>-</u>	<u>\$ 63,607</u>	<u>-</u>	<u>\$ 63,607</u>
	-	63,607	-	63,607
Less: Accumulated Depreciation	<u>-</u>	<u>12,721</u>	<u>-</u>	<u>12,721</u>
	-	12,721	-	12,721
Total	<u>-</u>	<u>\$ 50,886</u>	<u>-</u>	<u>\$ 50,886</u>
	-	50,886	-	50,886

The provision for depreciation for the year ended June 30, 2011 amounted to \$12,721. The Charter School allocated depreciation to instruction services.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Charter School’s facility is owned by Ministerio Cristo Fiel y Verdadero, Inc. The Charter School is leasing its premises from Ministerio Cristo Fiel y Verdadero, Inc., which has a term of three years and expires on May 31, 2013. Total fees paid to Ministerio Cristo Fiel y Verdadero, Inc. for the fiscal year 2011 were approximately \$ 97,762. Future minimum lease payments are approximately \$ 195,524 for the next two years.

NOTE 6 – RISK MANAGEMENT

The Charter School is exposed to various risks of loss related to torts, thefts of damage to and destruction of assets, errors and omissions and natural disasters for which the Church carries commercial insurance.

SUPPLEMENTARY INFORMATION

**ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2011**

	Original Budget	Final Budget	Actual Amounts GAAP Basis	Variances Positive (Negative)
Revenues:				
State sources	\$ 648,034	\$ 648,034	\$ 646,708	\$ (1,326)
Operating grants and contributions	275,375	275,375	136,036	(139,339)
Charges for services	-	-	12,978	12,978
Local Sources	57,494	57,494	12,215	(45,279)
Total revenues	<u>980,903</u>	<u>980,903</u>	<u>807,937</u>	<u>(172,966)</u>
Instruction	476,252	476,252	319,755	156,497
Pupil Personnel Services	750	750	-	750
Instructional Media Services	-	-	-	-
Instruction and Curriculum Development Service	1,500	1,500	-	1,500
Instructional Staff Training Services	20,250	20,250	2,100	18,150
Board	8,500	8,500	52,924	(44,424)
General Administration	48,953	48,953	97,672	(48,719)
School Administration	132,269	132,269	106,806	25,463
Facilities Acquisition and Construction	4,000	4,000	3,945	55
Facilities Lease/Rental	105,304	105,304	97,762	7,542
Fiscal Services	21,050	21,050	13,967	7,083
Food Services	42,494	42,494	22,328	20,166
Operation of Plant	77,300	77,300	56,775	20,525
Maintenance of Plant	-	-	292	(292)
Total expenditure	<u>938,622</u>	<u>938,622</u>	<u>774,326</u>	<u>164,296</u>
Excess of revenues over expenditures	<u>42,281</u>	<u>42,281</u>	<u>33,611</u>	<u>(8,670)</u>

ACADEMIR CHARTER SCHOOLS, INC.
D/B/A ACADEMIR CHARTER SCHOOL WEST
NOTES TO SUPPLEMENTARY INFORMATION

NOTE A.

The Charter School formally adopted a budget for the year ended June 30, 2011. Budgeted amounts may be amended by resolution or ordinance by the Board. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. A comparison of the actual results of operations to the budgeted amounts for the General Fund is presented as supplementary information.

NOTE B.

The budget is adopted using the same basis of accounting on which the financial statements are prepared except for a 5% administrative charge that is retained by the School Board of Miami-Dade County.

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

To the Board of Directors
Academir Charter Schools, Inc.
D/B/A Academir Charter School West
Miami, Florida

We have audited the basic financial statements of the governmental activities and each major fund of Academir Charter Schools, Inc. D/B/A Academir Charter School West (the "Charter School"), a component unit of the Miami-Dade County District School Board, as of and for the year ended June 30, 2011, and have issued our report thereon dated August 31, 2011. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Charter School's internal control over financial reporting as a basis for designing our auditing procedures of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the paragraph of this section and would not necessarily identified all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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


Miami, Florida
August 31, 2011

**MANAGEMENT LETTER
REQUIRED BY CHAPTER 10.850 RULES OF THE AUDITOR GENERAL OF
THE STATE OF FLORIDA**

To the Board of Directors
Academir Charter Schools, Inc.
D/B/A Academir Charter School West
Miami, Florida

We have audited the financial statements of Academir Charter School, Inc. D/B/A Academir Charter School West (the "Charter School") as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated August 31, 2011.

We conducted our audit in accordance with generally accepted auditing standards, and *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and on Internal Control over Compliance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 31, 2011, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.850, *Rules of the Auditor General*, which governs the conduct of charter school 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 or schedule:

1. Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. We did not have any such findings.
2. Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
3. Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address violations of provisions of 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.

4. Section 10.854(1)(e)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.
5. Section 10.854(1)(e)6, Rules of the Auditor General, requires the name or official title of the school. The official title of the school is Academir Charter School West.
6. Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the school has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Charter School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
7. Pursuant to Sections 10.854(1)(e)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Charter School's financial condition; our financial condition assessment was based in part on representations made by management and the review of financial information provided.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Carol Gardner, CPA

Gardner & Associates, PA
Miami, Florida
August 31, 2011