



Integrated Science and Asian Culture Academy, Inc.  
WL# 2004

Miami Springs, Florida

Financial Statements and  
Independent Auditors' Report

June 30, 2021

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Integrated Science and Asian Culture Academy, Inc.

W/L# 2004

301 Westward Drive

Miami Springs, Florida 33166

2020-2021

BOARD OF DIRECTORS

Dr. Hui Fang Huang “Angie” Su, Director, Chair and President

Dr. Jia Borrer, Secretary and Director

Dr. Judith Stein, Director

SCHOOL ADMINISTRATION

Eleonora Cuesta, Principal



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Integrated Science and Asian Culture Academy, Inc.  
Miami Springs, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Integrated Science and Asian Culture Academy, Inc. (the "School"), as of, and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprises the School's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Integrated Science and Asian Culture Academy, Inc. as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2021 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, 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* in considering the School's internal control over financial reporting and compliance.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 27 through 28 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.

## **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, in 2021 the School adopted new accounting guidance, GASB No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 14, 2021

Management's Discussion and Analysis  
Integrated Science and Asian Culture Academy, Inc.  
June 30, 2021

The corporate officers of Integrated Science and Asian Culture Academy, Inc. have prepared this narrative overview and analysis of the school's financial activities for the year ended June 30, 2021.

**Financial Highlights**

1. The net position of the School at June 30, 2021 was \$1,148,389.
2. At year-end, the School had current assets on hand of \$1,436,216.
3. The School had an increase in net position of \$418,507 for the year ended June 30, 2021.
4. The unassigned fund balance at year end was \$902,159.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2021 are presented under GASB codification 2200. The financial statements have 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* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between the four is reported as *net position*. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 9 - 10 of this report.

*Fund Financial Statements*

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for its major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 11 – 14 of this report.

### *Notes to 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 fund financial statements.

The notes to the financial statements can be found on pages 15 - 26 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$1,148,389 at the close of the fiscal year. A summary of the School's net position as of June 30, 2021 and 2020 follows:

	2021	2020
Cash	\$ 329,826	\$ 335,638
Investments	800,000	565,000
Prepaid expenses	30,275	-
Due from other agencies	276,115	25,442
Deposit receivable	5,000	5,000
Capital assets, net	101,562	119,185
<b>Total Assets</b>	<b>1,542,778</b>	<b>1,050,265</b>
<b>Deferred outflows of resources</b>	<b>-</b>	<b>-</b>
Accounts payable and accrued liabilities	197,689	126,491
Notes payable to bank under the Paycheck Protection Program	196,700	196,700
<b>Total Liabilities</b>	<b>394,389</b>	<b>323,191</b>
<b>Deferred inflows of resources</b>	<b>-</b>	<b>-</b>
<b>Net Position:</b>		
Net investment in capital assets	101,562	119,185
Restricted	-	196,700
Unrestricted	1,046,827	411,189
<b>Total Net Position</b>	<b>\$1,148,389</b>	<b>\$ 727,074</b>

At the end of both fiscal years, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2021 and 2020 follows:

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Program Revenues		
Operating Grants and Contributions	\$ 295,296	\$ 41,791
Capital Outlay Funding	147,888	122,313
Lunch Program	14,511	16,632
Charges for Services	117,663	116,742
General Revenues		
Local Sources (FTE and other non specific)	2,039,872	1,896,440
Other Revenues	5,254	23,978
<b>Total Revenues</b>	<u>\$ 2,620,484</u>	<u>\$ 2,217,896</u>
<b>EXPENSES</b>		
Instruction	\$ 1,051,690	\$ 933,242
Student support services	59,411	5,685
Instructional staff training	-	4,850
Board	364	11,296
School administration	374,888	392,839
Facilities acquisition	13,099	8,732
Fiscal services	40,050	36,375
Food services	71,503	78,414
Central services	61,771	47,123
Operation of plant	334,703	368,931
Maintenance of plant	48,843	53,137
Administrative technology services	12,915	14,145
Community services	132,740	136,677
<b>Total Expenses</b>	<u>2,201,977</u>	<u>2,091,446</u>
Increase in Net Position	418,507	126,450
Net Position at Beginning of Year, as restated	<u>729,882</u>	<u>600,624</u>
Net Position at End of Year	<u>\$ 1,148,389</u>	<u>\$ 727,074</u>

The School's revenues and expenses increased by \$402,588 and \$110,531, respectively. The School had an increase in its net position of \$418,507 for the year.

### **School Location and Lease of Facility**

The School leases a facility located at 301 Westward Drive, Miami Springs, Florida 33166.

### **Capital Improvements Requirements**

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.



## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental Funds**

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$932,434. The fund balance unassigned and available for spending at the School's discretion is \$902,159. These funds will be available for the School's future ongoing operations.

### **Capital Assets**

The School's investment in capital assets as of June 30, 2021 amounts to \$101,562 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and computer equipment. At June 30, 2021, the School had no long-term debt associated to its capital assets.

## Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for total governmental funds to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Program Revenues			
State capital outlay funding	\$ 135,000	\$ 147,900	\$ 147,888
Federal sources	60,000	57,400	57,508
Charges and other revenue	122,000	50,000	54,068
General Revenues			
FTE nonspecific revenues	2,025,000	2,036,707	2,039,872
Charges and other revenues	45,000	74,263	83,360
Total Revenues	<u>2,387,000</u>	<u>2,366,270</u>	<u>2,382,696</u>
<b>CURRENT EXPENDITURES</b>			
Governmental Activities			
Instruction	985,602	1,053,276	1,035,993
Student support services	5,000	5,000	59,411
Instructional staff training	57,500	57,150	-
Board	12,500	12,500	364
School administration	293,159	378,959	374,452
Fiscal services	40,500	40,475	40,050
Food services	60,000	70,852	70,562
Central services	48,000	62,975	61,771
Operation of plant	298,253	307,836	299,875
Maintenance of plant	56,500	48,000	47,587
Administrative technology services	33,280	29,414	12,915
Community services	200,000	135,000	132,740
Total Current Expenditures	<u>\$ 2,090,294</u>	<u>\$ 2,201,437</u>	<u>\$ 2,135,720</u>

Most variances occurred as a result of the budget adopted being more conservative than actual results for the year.

## Requests 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 Ms. Ana Martinez at Academica Dade, LLC, 6340 Sunset Drive, Miami, Florida 33143.

Integrated Science and Asian Culture Academy, Inc.  
Statement of Net Position  
June 30, 2021

	Primary Government Governmental Activities
<b><u>Assets</u></b>	
Current assets:	
Cash	\$ 329,826
Investments	800,000
Prepaid expenses	30,275
Due from other agencies	276,115
Total Current Assets	1,436,216
Deposit receivable	5,000
Capital assets, depreciable	355,648
Less: accumulated depreciation	(254,086)
	101,562
Total Assets	1,542,778
<b><u>Deferred Outflows of Resources</u></b>	-
<b><u>Liabilities</u></b>	
Current liabilities:	
Salaries and wages payable	91,448
Accounts payable	106,241
Notes payable to bank under the Paycheck Protection Program	196,700
Total Current Liabilities	394,389
<b><u>Deferred Inflows of Resources</u></b>	-
<b><u>Net Position</u></b>	
Net investment in capital assets	101,562
Unrestricted	1,046,827
Total Net Position	\$ 1,148,389

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

Integrated Science and Asian Culture Academy, Inc.  
Statement of Activities  
For the year ended June 30, 2021

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		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:	Expenses				
<b>Governmental activities:</b>					
Instruction	\$ 1,051,690	\$ -	\$ 188,037	\$ -	\$ (863,653)
Student support services	59,411	-	56,579	-	(2,832)
Board	364	-	-	-	(364)
School administration	374,888	-	-	-	(374,888)
Facilities acquisition	13,099	-	-	-	(13,099)
Fiscal services	40,050	-	-	-	(40,050)
Food services	71,503	14,511	43,034	-	(13,958)
Central services	61,771	-	-	-	(61,771)
Operation of plant	334,703	-	7,646	147,888	(179,169)
Maintenance of plant	48,843	-	-	-	(48,843)
Administrative technology services	12,915	-	-	-	(12,915)
Community services	132,740	117,663	-	-	(15,077)
<b>Total governmental activities</b>	<b>\$ 2,201,977</b>	<b>\$ 132,174</b>	<b>\$ 295,296</b>	<b>\$ 147,888</b>	<b>\$ (1,626,619)</b>

General revenues:

FTE and other nonspecific revenues	2,039,872
Interest and other revenue	5,254

Change in net position 418,507

Net position, beginning, as restated	729,882
Net position, ending	\$ 1,148,389

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

Integrated Science and Asian Culture Academy, Inc.  
Balance Sheet - Governmental Funds  
June 30, 2021

	General Fund	Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>				
Cash	\$ 261,521	\$ 68,305	\$ -	\$ 329,826
Investments	800,000	-	-	800,000
Due from other agencies	10,985	14,474	12,868	38,327
Due from fund	27,342	-	-	27,342
Prepaid expenses	30,275	-	-	30,275
Total Assets	<u>1,130,123</u>	<u>82,779</u>	<u>12,868</u>	<u>1,225,770</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Liabilities</u></b>				
Salaries and wages payable	91,448	-	-	91,448
Accounts payable	106,241	-	-	106,241
Due to fund	-	14,474	12,868	27,342
Total Liabilities	<u>197,689</u>	<u>14,474</u>	<u>12,868</u>	<u>225,031</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Fund balance</u></b>				
Nonspendable, not in spendable form	30,275	-	-	30,275
Assigned	-	68,305	-	68,305
Unassigned	902,159	-	-	902,159
	<u>932,434</u>	<u>68,305</u>	<u>-</u>	<u>1,000,739</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 1,130,123</u>	<u>\$ 82,779</u>	<u>\$ 12,868</u>	<u>\$ 1,225,770</u>

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

Integrated Science and Asian Culture Academy, Inc.  
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2021

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Total Fund Balance - Governmental Funds \$ 1,000,739

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

Capital assets net of accumulated depreciation used in  
governmental activities are not financial resources and  
therefore are not reported in the fund.

Capital assets	355,648	
Accumulated depreciation	<u>(254,086)</u>	101,562

Receivables in governmental activities that are not collected  
within 60 days are not current financial resources and  
therefore are not reported in the governmental funds.

237,788

Long term deposit receivables in governmental activities are  
not financial resources and therefore are not reported in the  
governmental funds.

5,000

Long term debt in governmental activities are not financial  
resources and therefore are not reported in the  
governmental funds.

(196,700)

Total Net Position - Governmental Activities \$ 1,148,389

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

Integrated Science and Asian Culture Academy, Inc.

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds

For the year ended June 30, 2021

	General Fund	Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
State passed through local	\$ 2,039,872	\$ -	\$ -	\$ 2,039,872
State capital outlay funding	-	-	147,888	147,888
Federal sources	-	57,508	-	57,508
Charges and other revenue	83,360	54,068	-	137,428
Total Revenues	2,123,232	111,576	147,888	2,382,696
Expenditures:				
Current				
Instruction	847,955	188,038	-	1,035,993
Student support services	2,832	56,579	-	59,411
Board	364	-	-	364
School administration	374,452	-	-	374,452
Fiscal services	40,050	-	-	40,050
Food services	-	70,562	-	70,562
Central services	61,771	-	-	61,771
Operation of plant	144,341	7,646	147,888	299,875
Maintenance of plant	47,587	-	-	47,587
Administrative technology services	12,915	-	-	12,915
Community services	95,074	37,666	-	132,740
Capital Outlay:				
Other capital outlay	48,634	-	-	48,634
Total Expenditures	1,675,975	360,491	147,888	2,184,354
Excess (deficit) of revenues over expenditures	447,257	(248,915)	-	198,342
Other financing sources (uses)				
Transfers in (out)	(117,712)	117,712	-	-
Net change in fund balance	329,545	(131,203)	-	198,342
Fund Balance at beginning of year, as restated	602,889	199,508	-	802,397
Fund Balance at end of year	\$ 932,434	\$ 68,305	\$ -	\$ 1,000,739

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

Integrated Science and Asian Culture Academy, Inc.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the year ended June 30, 2021

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Net Change in Fund Balance - Governmental Funds \$ 198,342

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differed from depreciation expense and disposals.

Capital outlays	48,634	
Depreciation expense	<u>(66,257)</u>	(17,623)

Revenues are recognized using the full accrual basis of accounting in the government-wide statements. However, revenues are recognized when they are measurable and available in the governmental funds. These revenues did not meet the recognition criteria during the current year and, therefore, were not reported in the governmental funds.

237,788

Change in Net Position of Governmental Activities \$ 418,507

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



## **Note 1 – Summary of Significant Accounting Policies**

### Reporting Entity

Integrated Science and Asian Culture Academy, Inc. (the "School"), is a high performing charter school sponsored by the School Board of Miami-Dade County, Florida (the "District"). The School is organized as a not-for-profit corporation pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors, which is composed of three members and also governs other charter schools. The board of directors has determined that no component units exist that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Miami-Dade County, Florida. The current charter expires on June 30, 2033. It can be renewed for additional terms in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Miami Springs, Florida and is approved for students in kindergarten through fifth grade and is funded by the District. These financial statements are for the year ended June 30, 2021, when approximately 267 students were enrolled for the school year.

### Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government-wide and fund financial statements. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

### Deferred Outflows/Inflows of Resources

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

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

**Note 1 – Summary of Significant Accounting Policies (continued)**

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other miscellaneous sources.

*Fund Financial Statements*

Fund financial statements are provided for governmental. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. The School reports the following major governmental funds with all other non-major funds aggregated in a single column:

*General Fund* - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

*Special Revenue Fund* - accounts for specific revenues, such as federal funding, federal lunch program, and COVID-19 emergency relief funding that are legally restricted to expenditures for particular purposes. Also, accounts for resources of the School's Internal Fund, which is used to administer monies collected in connection with school, student athletics, class, and club activities.

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to GASB Codification Section 1600.111 and Section N50 *Accounting and Financial Reporting for Non-Exchange Transactions*. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Note 1 – Summary of Significant Accounting Policies (continued)**

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Budgets and Budgetary Accounting**

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

**Cash, Cash Equivalents and Investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/savings accounts.

The School has not adopted a formal deposit and investment policy that limits the School’s allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund. The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, *Fair Value Measurement and Application*, and other related standards which establish accounting and financial reporting standards for all investments (see Note 2). Money market investment that have maturities of one year or less from the date of acquisition are reported at amortized cost rather than fair value. Amortized cost closely approximates fair value.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with cost of \$1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide financial statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds. Estimated useful lives, in years, for depreciable assets are as follows:

Textbooks and Software	3 Years
Furniture and Equipment	5 Years
Building and Improvements	5- 15 Years

Compensated Absences

The School grants a specific number of sick days. Full time instructional employees are eligible to one day per month to up to ten days of active work during the ten-month period (a "benefit year"). In the event that available time is not used by the end of the benefit year, employees may "rollover" all unused days for use in future benefit years. There is an opportunity to "cash out" unused sick days however, the employees may only cash out if they have used three days or less of their sick leave in that benefit year. Employees may not cash out more than ten days per school year and are required to always maintain a minimum of twenty-one unused days. The cash out value is eighty percent of their current daily rate. There is no termination payment for accumulated unused sick days.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for sick days available to be used in future benefits years.

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

## **Note 1 – Summary of Significant Accounting Policies (continued)**

### Revenue Sources

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement ad valorem tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

### Net Position and Fund Balance Classifications

#### *Government-wide financial statements*

Equity is classified as net position and displayed in three (3) components:

- a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments. There is no restricted net position balance at year end.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "Net investment in capital assets".

**Note 1 – Summary of Significant Accounting Policies (continued)**

When both restricted and unrestricted resources are available for a specific purpose, it is the Schools's policy to use restricted resources first, until exhausted, before using unrestricted resources.

*Fund financial statements*

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with prepaid expenses.
- b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. There are no restricted fund balances at year-end
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balances held at year end of \$68,305, are in connection with the School's internal account.
- e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Inter-fund Transfers

Inter-fund receivables/payables are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Income Taxes

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

**Note 1 – Summary of Significant Accounting Policies (continued)**

New Accounting Standard Adopted

In fiscal year 2021, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: Statement No. 84 Fiduciary Activities. See Note 11.

Pronouncements Issued But Not Yet Effective

GASB has issued GASB Statement No. 87 *Leases, effective fiscal year 2022*, that will affect the future financial position, results of operations, or financial presentation of the School upon implementation. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

Use of Estimates

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

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 14, 2021, which is the date the financial statements were available to be issued.

**Note 2 – Cash, Cash Equivalents and Investments**

Deposits

The School maintains its cash and cash equivalents in two financial institutions. Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. As of June 30, 2021, there was approximately \$81,000 of bank balances in excess of FDIC coverage.

Investments

The School follows the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets; Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

**Note 2 – Cash, Cash Equivalents and Investments (continued)**

At June 30, 2021, the School had \$830,000 invested in a governmental money market mutual fund that is exempt from GASB 72 fair value hierarchy disclosures. The governmental money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of June 30, 2021, maturities of the fund's portfolio holdings are approximately 79% within 30 days.

**Credit Risk**

*Concentration of credit risk* is the risk of loss attributed to the magnitude of investments in a single issuer. The School manages its exposure to credit risk by limiting investments to highly rated government money market mutual funds. The fund is rated Aaa-mf by Moody's.

*Custodial credit risk* is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2021, all of the School's investments in government money market mutual funds were held in a separate account and designated as assets of the School.

*Interest rate risk* is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to government money market mutual funds that can be redeemed daily.



### Note 3 – Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2021:

	Balance 07/01/20	Additions	Retirements	Balance 06/30/21
Capital Assets, depreciable:				
Audiovisual and software	\$ 19,375	\$ -	\$ (4,222)	\$ 15,153
Furniture, equipment and textbooks	195,966	3,954	(76,913)	123,007
Buildings and improvements	172,758	44,680	50	217,488
Total Capital Assets	<u>\$ 388,099</u>	<u>\$ 48,634</u>	<u>\$ (81,085)</u>	<u>\$ 355,648</u>
Less Accumulated Depreciation:				
Audiovisual and software	\$ (9,502)	\$ (3,031)	\$ 576	\$ (11,957)
Furniture, equipment and textbooks	(153,806)	(26,506)	75,820	(104,492)
Buildings and improvements	(105,606)	(36,720)	4,689	(137,637)
Total Accumulated Depreciation	<u>\$ (268,914)</u>	<u>\$ (66,257)</u>	<u>\$ 81,085</u>	<u>\$ (254,086)</u>
Capital Assets, net	<u>\$ 119,185</u>	<u>\$ (17,623)</u>	<u>\$ -</u>	<u>\$ 101,562</u>

For the fiscal year ended June 30, 2021, depreciation expense is allocated in the Statement of Activities by function as follows:

Instruction	\$ 15,697
Food services	941
Facilities acquisition	13,099
School administration	436
Operation of plant	34,828
Maintenance of plant	1,256
Total Depreciation Expense	<u>\$ 66,257</u>

### Note 4 – Education Service and Support Provider

Academica Dade, LLC, an education service and support provider, provides administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting and virtual education services. The agreement calls for a fee on a per student basis. The agreement is for a period of five years, through June 30, 2022, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2021, the School incurred \$120,150 in fees.

## **Note 5 – Related Party Transactions**

### Divisions of The Doral Academy, Inc.

The School shares school administrative personnel with Doral Academy and Just Arts Management, charter schools under The Doral Academy, Inc. For the year ended June 30, 2021, total principal and assistant principal salaries and benefits allocated to the School was \$32,793 which were paid via stipends.

### District

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% or 5% (depending on the schools performance) of the qualifying revenues of the School. For the year ended June 30, 2021, administrative fees withheld by the School District totaled \$37,007.

## **Note 6 – Commitments, Contingencies and Concentrations**

The school entered into a lease agreement with The First Presbyterian Church U.S. of Miami Springs, Florida to house the School's campus. The Renewed Term of the lease is for five years beginning on July 1, 2019 and ending June 30, 2024. The school shall have the option to renew the term of this agreement for two (2) additional terms of five (5) years each. The school shall pay the organization an amount of \$700 per student per annum subject to annual CPI increases. For the year ended June 30, 2021, rent expense totaled \$193,192, net of landlord credits.

During the year, the School entered into the third amendment to the lease agreement. Pursuant to the addendum, the School agreed to advance costs of certain improvements totaling \$17,023. The landlord has agreed to reimburse the School for the total cost of these improvements through a credit to the School's annual rent and as of June 30, 2021, the School has received credits of \$12,924. Future minimum payments under the lease (at current enrollment) are as follows:

<u>Year</u>		
2022	\$	202,000
2023	\$	202,000
2024	\$	202,000

### Contingencies and Concentrations

The School receives substantially all of its funding from the State through the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School participates in a number of federal, state and local grants which are subject to financial and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

## Note 7 – Inter-fund Transfers

Inter-fund transfers in governmental funds as of June 30, 2021 consist of the following:

	General Fund	Special Revenue Funds	Non-Major Governmental Funds
To fund lunch deficit	\$ (13,017)	\$ 13,017	\$ -
Reimbursement of PPP funds for prior period payroll expenditures	196,700	(196,700)	-
Transfer in beginning internal account balance	(63,607)	63,607	-
To fund federal expenditures for receivables not collected within 60 days for:			
Transfer from general fund for GEER current period expenditures	(77,566)	77,566	-
Transfer from general fund for ESSER II current period expenditures	(160,222)	160,222	-
Total Transfers, net	<u>\$ (117,712)</u>	<u>\$ 117,712</u>	<u>\$ -</u>
Due to General Fund from Capital Projects Fund for capital outlay	\$ 12,868	\$ -	\$ (12,868)
Due to General Fund from Special Revenue Fund for Title IV	14,474	(14,474)	-
Total Due from/(Due to)	<u>\$ 27,342</u>	<u>\$ (14,474)</u>	<u>\$ (12,868)</u>

## Note 8 – Risk Management

The 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 School carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past years. In addition, there were no reductions in insurance coverage from those in the prior year.

The School has entered into a strategic relationship with ADP TotalSource, Inc., a human resource management firm, typically known as “Professional Employer Organization” (PEO). Under a co-employment agreements, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management. Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions.

## Note 9 – Defined Contribution Retirement Plan

The School’s personnel, which are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the “Plan”), the School provides a match of 100% of the employee’s salary up to 4% of the employee’s compensation. The School contributed to the Plan \$15,852 for the year ended June 30, 2021. The School does not exercise any control or fiduciary responsibility over the Plan’s assets, which are administered by Voya Financial.

## Note 10 – Note Payable

### Paycheck Protection Program

On April 22, 2020, the School, was granted a loan from a financial institution in the amount of \$196,700, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The loan, which was in the form of a note dated April 22, 2020 issued by Integrated Science and Asian Culture Academy, Inc., matures on April 22, 2022 and bears interest at a rate of 1.00%. The School has fully expended the loan proceeds on payroll costs within the covered period and the loan forgiveness application was submitted to lender on August 12, 2021.

	Balance 07/01/20	Proceeds	Repayments	Balance 06/30/21
Notes payable to bank under the Paycheck Protection Program	\$ 196,700	\$ -	\$ -	\$ 196,700
	<u>\$ 196,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,700</u>

## Note 11 – Implementation of GASB 84

As of July 1, 2020, the School implemented GASB Statement No. 84. Fiduciary Activities. This Statement establishes new criteria for identifying fiduciary activities which, when met, require that activities be reported in a fiduciary fund in the basic financial statements. Items previously reported as part of the agency fund classification of the Fiduciary Fund statements were reviewed to evaluate if they met the new custodial funds criteria. The School identified the School’s internal account as non-fiduciary and re-categorized them as restricted in the Special Revenue Fund.

The government-wide net position and fund balances were restated as a result of the implementation of GASB Statement No. 84 as follows:

	Fiscal Year June 30, 2020 Original	GASB Statement No.84	Fiscal Year June 30, 2021 (Restated)
Net change in fund balances	\$ 4,442,550		\$ 4,442,550
Fund balances (deficit) at beginning	1,164,934		1,164,934
Restatement of beginning fund balances	-	411,453	411,453
Fund balances (deficit) at the end of year	<u>\$ 5,607,484</u>		<u>\$ 6,018,937</u>
Change in net position	\$ 50,745		\$ 50,745
Net position (deficit), beginning	9,734,939		9,734,939
Restatement of beginning net position		411,453	411,453
Net position (deficit), ending	<u>\$ 9,785,684</u>		<u>\$10,197,137</u>

## REQUIRED SUPPLEMENTARY INFORMATION

Integrated Science and Asian Culture Academy, Inc.

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2021

		General Fund	
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 2,025,000	\$ 2,036,707	\$ 2,039,872
Charges and other revenue	45,000	74,263	83,360
Total Revenues	2,070,000	2,110,970	2,123,232
<b>EXPENDITURES</b>			
Current:			
Instruction	887,252	864,856	847,955
Student support services	5,000	5,000	2,832
Board	12,500	12,500	364
School administration	293,159	378,959	374,452
Fiscal services	40,500	40,475	40,050
Central services	48,000	62,975	61,771
Operation of plant	155,053	152,076	144,341
Maintenance of plant	56,500	48,000	47,587
Administrative technology services	33,280	29,414	12,915
Community services	100,000	97,000	95,074
Total Current Expenditures	1,631,244	1,691,255	1,627,341
Excess of Revenues			
Over Current Expenditures	438,756	419,715	495,891
Capital Outlay			
Other Capital Outlay	43,800	49,600	48,634
Total Expenditures	1,675,044	1,740,855	1,675,975
Excess of Revenues Over Expenditures	394,956	370,115	447,257
Other financing sources (uses):			
Transfers in (out)	(142,050)	(135,000)	(117,712)
Net change in fund balance	252,906	235,115	329,545
Fund Balance at beginning of year	602,889	602,889	602,889
Fund Balance at end of year	\$ 855,795	\$ 838,004	\$ 932,434

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Integrated Science and Asian Culture Academy, Inc.

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2021

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal sources	\$ 60,000	\$ 57,400	\$ 57,508
Charges and other revenue	122,000	50,000	54,068
Total Revenues	182,000	107,400	111,576
<b>EXPENDITURES</b>			
Current:			
Instruction	98,350	188,420	188,038
Instructional staff training	57,500	57,150	56,579
Food services	60,000	70,852	70,562
Operation of plant	8,200	7,860	7,646
Community services	100,000	38,000	37,666
Total Current Expenditures	324,050	362,282	360,491
Excess (Deficit) of Revenues Over Current Expenditures	(142,050)	(254,882)	(248,915)
Total Expenditures	324,050	362,282	360,491
Excess (Deficit) of Revenues Over Expenditures	(142,050)	(254,882)	(248,915)
Other financing sources (uses)			
Transfers in (out)	142,050	135,000	117,712
Net change in fund balance	-	(119,882)	(131,203)
Fund Balance at beginning of year	199,508	199,508	199,508
Fund Balance at end of year	\$ 199,508	\$ 79,626	\$ 68,305

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



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

To the Board of Directors of  
Integrated Science and Asian Culture Academy, Inc.  
Miami Springs, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Integrated Science and Asian Culture Academy, Inc. (the "School") as of, and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 14, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



### Compliance and Other Matters

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

We issued a separate management letter dated September 14, 2021 pursuant to Chapter 10.850, Rules of the Auditor General.

### Purpose of this report

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 14, 2021



## MANAGEMENT LETTER

To the Board of Directors of  
Integrated Science and Asian Culture Academy, Inc.  
Miami Springs, Florida

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

We have audited the financial statements of Integrated Science and Asian Culture Academy, Inc., Miami Springs, Florida, as of and for the fiscal year ended June 30, 2021 and have issued our report thereon dated September 14, 2021.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 14, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

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. There were no findings and recommendations made in the preceding financial audit report.

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Integrated Science and Asian Culture Academy, Inc., 2004.

### **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not Integrated Science and Asian Culture Academy, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met.

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In connection with our audit, we determined that Integrated Science and Asian Culture Academy, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for Integrated Science and Asian Culture Academy. It is management's responsibility to monitor Integrated Science and Asian Culture Academy'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.

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

### **Transparency**

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether Integrated Science and Asian Culture Academy maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Integrated Science and Asian Culture Academy maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

### **Additional Matters**

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

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

### **Purpose of this Letter**

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

A handwritten signature in blue ink that reads "HLB Gravier, LLP". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 14, 2021