



**LINCOLN-MARTI CHARTER SCHOOLS, INC.**

**CHARTER HIGH SCHOOL OF THE AMERICAS**

**(A Component Unit of the School Board  
of Miami-Dade County)**

**FISCAL YEARS ENDED JUNE 30, 2015 AND JUNE 30, 2014**



CERTIFIED PUBLIC ACCOUNTANTS | BUSINESS CONSULTANTS

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

---

**TABLE OF CONTENTS**

	<b>PAGE(S)</b>
Independent Auditors' Report.....	1-2
Management's Discussion and Analysis .....	3-8
 <b>SPECIAL PURPOSE FINANCIAL STATEMENTS:</b>	
<b>Government-wide Financial Statements:</b>	
Statements of Net Position .....	9
Statement of Activities.....	10-11
 <b>Fund Financial Statements:</b>	
Balance Sheets - Governmental Fund.....	12
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund.....	13-14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Fund to the Statement of Activities.....	15
Notes to Special Purpose Financial Statements .....	16-24
 <b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Budgetary Comparison Schedule .....	25
Note to Budgetary Comparison Schedule .....	26
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	27-28
Management Letter in Accordance With the Rules of The Auditor General of The State of Florida.....	29-30

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Officers of  
Lincoln-Marti Charter Schools, Inc.  
(Charter High School of the Americas)  
(A Component Unit of the School Board of Miami-Dade County)  
Miami, Florida

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

We have audited the accompanying special purpose financial statements of the governmental activities and major fund of Lincoln-Marti Charter Schools, Inc. (Charter High School of the Americas) (the "School"), (a component unit of the School Board of Miami-Dade County), as of and for the fiscal year ended June 30, 2015, and the related notes to the special purpose financial statements, which collectively comprise 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 special purpose 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 special purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose 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 special purpose 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 special purpose 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 special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the School as of June 30, 2015 in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of the Matter

As discussed in Note 1, the special purpose financial statements of Lincoln-Marti Charter Schools, Inc. (Charter High School of the Americas) are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and fund information of Lincoln-Marti Charter Schools, Inc. that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Lincoln-Marti Charter Schools, Inc., as of June 30, 2015, the changes in its financial position, or, where applicable, its cash flow for the year ended June 30, 2015, in conformity with accounting principles generally accepted in the United States of America.

## 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 3 through 8 and 25 and 26 be presented to supplement the special purpose financial statements. Such information, although not a part of the special purpose financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the special purpose 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 special purpose financial statements, and other knowledge we obtained during our audit of the special purpose 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.

### *Prior Period Financial Statements*

The special purpose financial statements of Lincoln-Marti Charter School, Inc. (Charter High School of the Americas) as of June 30, 2014, were audited by other auditors whose report dated August 28, 2014, expressed an unmodified opinion on those statements.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2015, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

*The Shroyer Group, P. A.*

August 27, 2015

**LINCOLN-MARTI CHARTER SCHOOLS, INC.  
CHARTER HIGH SCHOOL OF THE AMERICAS  
(A Component Unit of the School Board of Miami-Dade County)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

As management of Lincoln-Marti Charter Schools, Inc. (Charter High School of the Americas) (the "School"), we offer readers of the School this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2015.

Management's discussion and analysis is included at the beginning of the audited financial statements to provide, in layman's terms, the past and current position of the School's financial condition. This summary should not be taken as a replacement for the audited financial statements, which consists of the financial statements and supplementary information intended to furnish additional detail to support the special purpose financial statements themselves.

### **FINANCIAL HIGHLIGHTS**

Our special purpose financial statements provide these insights into the results of this year's operations.

The School's current year of operations generated a net position of \$52,771 compared to decrease from last year's net position of \$185,851. The overall condition of the funds and governmental activities remains stable for the School.

The net position of the School exceeded its liabilities at June 30, 2015 by approximately \$265,798. Of this amount, approximately \$213,456 was unrestricted.

### **USING THIS ANNUAL REPORT**

This discussion and analysis is intended to serve as an introduction to the School's special purpose financial statements. The School's special purpose financial statements are comprised of three components: 1) Government-wide financial statements, 2) fund financial statements, and 3) notes to the special purpose financial statements. This report also contains other required supplementary information in addition to the special purpose 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 the School's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues and services rendered but unpaid).

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**USING THIS ANNUAL REPORT (CONT'D)**

Government-Wide Financial Statements (Cont'd)

The government-wide financial statements include all *governmental activities* that are principally supported by grants and entitlements from the State for full-time equivalent funding. The School does not have any *business-type activities*. The governmental activities of the School primarily include instructional and support services.

The government-wide financial statements can be found on pages 9 and 11 of the report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School's only fund is the General Fund, a governmental fund type.

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 inflow and outflow 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 a School's near-term financing requirements.

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

The School maintains only one governmental fund type, which is the General Fund. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund.

The School adopts an annual budget for its governmental fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The special purpose governmental fund financial statements can be found on pages 12 and 15 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 through 24 of this report.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**USING THIS ANNUAL REPORT (CONT'D)**

**Other Information**

In addition to the special purpose financial statements and accompanying notes, this report also presents certain required *supplementary information* concerning budgetary information for the School's general fund. Required supplementary information can be found on pages 25 and 26 of this report.

Our auditor has provided reasonable assurance in their independent auditors' report, located immediately preceding this Management's Discussion and Analysis, that the Special Purpose Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts listed in the table of contents.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This is the School's third year of operation. The School's net position was \$265,798 at June 30, 2015. Of this amount, \$213,456 is unrestricted and \$52,342 is invested in capital assets.

Our analysis of the special purpose financial statements of the School begins below. The Statement of Net Position and the Statement of Activities report information about the School's activities that will help answer questions about the position of the School.

**Net Position**

A summary of the School's Net Position is presented in Table A-1 and a summary of the changes in net position is presented in Table A-2.

**Table A-1**  
***Summary of net position***

	<b><u>2015</u></b>	<b><u>2014</u></b>
Current assets	\$ 132,292	\$ 210,953
Due from related parties	188,881	140,000
Deposits	16,000	-
Capital assets, net	<u>52,342</u>	<u>14,084</u>
Total assets	<u>389,515</u>	<u>365,037</u>
Current liabilities	32,217	32,853
Due to related parties	<u>91,500</u>	<u>119,157</u>
Total liabilities	<u>123,717</u>	<u>152,010</u>
Invested in capital assets	52,342	14,084
Unrestricted	<u>213,456</u>	<u>198,943</u>
Total net position	<u>\$ 265,798</u>	<u>\$ 213,027</u>

**LINCOLN-MARTI CHARTER SCHOOLS, INC.  
CHARTER HIGH SCHOOL OF THE AMERICAS  
(A Component Unit of the School Board of Miami-Dade County)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONT'D)**

**Net Position (Cont'd)**

***Table A-2***

***Summary of changes in net position***

	<u>2015</u>	<u>2014</u>
<b>REVENUES:</b>		
State FTE revenues	\$ 607,523	\$ 587,105
Local grants and other	24,615	39,433
Contribution	<u>290,968</u>	<u>76,004</u>
Total Revenues	<u>923,106</u>	<u>702,542</u>
<b>EXPENSES:</b>		
Instructional services	222,695	180,331
School administration	101,891	99,476
Central services	236,501	185,399
Operation of plant	25,220	12,245
Maintenance of plant	<u>284,028</u>	<u>39,240</u>
Total Expenses	<u>870,335</u>	<u>516,691</u>
Change in net position	52,771	185,851
Net position, beginning	<u>213,027</u>	<u>27,176</u>
Net position, ending	<u><u>\$ 265,798</u></u>	<u><u>\$ 213,027</u></u>

As noted above and in the statement of activities on page 10 and 11, the cost of all governmental activities during the year ended June 30, 2015 and 2014 were \$870,335 and \$516,691, respectively. The majority of these activities were financed through general revenues of \$573,731 and \$537,348, which consist primarily of FTE funding from the State for the fiscal year ended June 30, 2015 and 2014, respectively.

See "Financial Highlights" on page 3 of this report, for a further explanation of the reason for the increase in net position.

**FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS**

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 fund* 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, *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.



**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS (CONT'D)**

At the end of the School's third fiscal period of operations, fund balance of the general fund was \$213,456. The general fund is the chief operating fund and only fund of the School.

A summary of the general fund's condensed balance sheet and statement of revenues, expenditures and changes in fund balance is presented in Table B-1 and B-2 as of and for the fiscal years ended June 30, 2015 and 2014.

**Table B1**  
***Summary of condensed Balance Sheet***

	<u><b>2015</b></u>	<u><b>2014</b></u>
Total assets	\$ <u>337,173</u>	\$ <u>350,953</u>
Total liabilities	\$ 123,717	\$ 152,010
Total fund balance	<u>213,456</u>	<u>198,943</u>
Total liabilities and fund balance	\$ <u>337,173</u>	\$ <u>350,953</u>

**Table B2**  
***Summary of condensed statement of revenues, expenditures, and changes in fund balance***

	<u><b>2015</b></u>	<u><b>2014</b></u>
Total revenues	\$ 923,106	\$ 702,542
Total expenditures	<u>908,593</u>	<u>530,775</u>
Changes in fund balance	\$ <u>14,513</u>	\$ <u>171,767</u>

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING H IGHLIGHTS**

An operating budget was adopted and maintained by the governing board for the School pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There were no amendments to the budget during the fiscal period ended June 30, 2015.

The general fund actual revenues were \$923,105 for the fiscal year ended June 30, 2015. This is below the budget estimates primarily due to lower FTE students than expected.

The actual expenditures of the general fund were \$908,593 for the fiscal year ended June 30, 2015. This is below the budget estimates primarily due to lower than anticipated instructional staff salaries. See page 25 for detail of budget vs. actual variance.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.  
CHARTER HIGH SCHOOL OF THE AMERICAS  
(A Component Unit of the School Board of Miami-Dade County)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**CAPITAL ASSETS**

At June 30, 2015, the School had \$56,653 invested in textbooks and leasehold improvements of which approximately \$4,311 has been depreciated, which resulted in a net book value of \$52,342. Total additions for the year were \$42,410.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The State of Florida has increased education funding for the Florida Education Finance Program for the fiscal year 2015-2016, by approximately (3%) three percent. Student enrollment is expected to increase due to the success of the Lincoln-Marti Charter Schools on the 2015 Florida Standard Assessment. These factors were considered in preparing the School's budget for fiscal year 2015-2016.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Martin Anorga, Lincoln-Marti Charter Schools, Inc. 2700 SW 8th Street, Miami, FL 33135.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash	\$ 18,542	\$ 210,953
Receivables	-	-
Prepaid rent	113,750	-
Due from related parties	188,881	140,000
Deposits	16,000	-
Capital assets:		
Improvements other than buildings	30,152	12,653
Classroom furniture, fixture, equipment and others	26,501	1,590
Less accumulated depreciation	<u>(4,311)</u>	<u>(159)</u>
Total Assets	<u>389,515</u>	<u>365,037</u>
<b>LIABILITIES</b>		
Accounts payable	22,275	23,069
Due to related parties	91,500	119,157
Wages payable	<u>9,942</u>	<u>9,784</u>
Total Liabilities	<u>123,717</u>	<u>152,101</u>
<b>NET POSITION</b>		
Invested in capital assets	52,342	14,084
Unrestricted	<u>213,456</u>	<u>198,943</u>
Total Net Position	<u>\$ 265,798</u>	<u>\$ 213,027</u>

The accompanying notes are an integral part of these special purpose financial statements.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)</u>
		<u>Charges</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenues and</u>
		<u>for</u>	<u>Grants and</u>	<u>Grants</u>	<u>Changes in</u>
		<u>Services</u>	<u>Contributions</u>		<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
					<u>Total</u>
<b>Governmental Activities:</b>					
Instructional services	\$ (222,695)	\$ -	\$ 21,528	\$ -	\$ (201,167)
School administration	(101,891)	-	216,881	-	114,990
Central services	(236,501)	-		-	(236,501)
Operation of plant	(25,220)	-		-	(25,220)
Maintenance of plant	<u>(284,028)</u>	<u>-</u>	<u>74,087</u>	<u>36,879</u>	<u>(173,062)</u>
Total activities	<u>\$ (870,335)</u>	<u>\$ -</u>	<u>\$ 312,496</u>	<u>\$ 36,879</u>	<u>\$ (520,960)</u>
<b>General Revenues:</b>					
FTE non-specific revenues					570,644
Miscellaneous					<u>3,087</u>
Total general revenues					<u>573,731</u>
Change in net position					52,771
Net position, beginning					<u>213,027</u>
Net position, ending					<u>\$ 265,798</u>

The accompanying notes are an integral part of these special purpose financial statements.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)</u> <u>Revenues and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges</u> <u>for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants</u>	<u>Governmental</u> <u>Activities</u> <u>Total</u>
<b>Governmental Activities:</b>					
Instructional services	\$ (180,331)	\$ -	\$ 39,433	\$ -	\$ (140,898)
School administration	(99,476)	-	10,000	-	(89,476)
Central services	(185,399)	-	-	-	(185,399)
Operation of plant	(12,245)	-	-	-	(12,245)
Maintenance of plant	<u>(39,240)</u>	<u>-</u>	<u>66,004</u>	<u>49,757</u>	<u>76,521</u>
Total activities	<u>\$ (516,691)</u>	<u>\$ -</u>	<u>\$ 115,437</u>	<u>\$ 49,757</u>	<u>(351,497)</u>
<b>General Revenues:</b>					
FTE non-specific revenues					<u>537,348</u>
Total general revenues					<u>537,348</u>
Change in net position					185,851
Net position, beginning					<u>27,176</u>
Net position, ending					<u>\$ 213,027</u>

The accompanying notes are an integral part of these special purpose financial statements.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**BALANCE SHEETS – GOVERNMENTAL FUND**  
**JUNE 30, 2015 AND 2014**

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Cash	\$ 18,542	\$ 210,953
Prepaid rent	113,750	-
Due from related party	188,881	140,000
Deposits	<u>16,000</u>	<u>-</u>
Total Assets	<u>337,173</u>	<u>350,953</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities:</b>		
Accounts payable	22,275	23,069
Due to related parties	91,500	119,157
Wages payable	<u>9,942</u>	<u>9,784</u>
Total Liabilities	<u>123,717</u>	<u>152,010</u>
<b>Fund Balance:</b>		
Nonspendable	113,750	-
Unassigned	<u>99,706</u>	<u>198,943</u>
Total Fund Balance	<u>213,456</u>	<u>198,943</u>
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	<u>52,342</u>	<u>14,0854</u>
Net position of governmental activities	<u>\$ 265,798</u>	<u>\$ 213,027</u>

The accompanying notes are an integral part of these special purpose financial statements.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.  
CHARTER HIGH SCHOOL OF THE AMERICAS  
(A Component Unit of the School Board of Miami-Dade County)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

---

**REVENUES:**

State FTE revenues	\$ 607,523
Local grants and others	24,615
Contributions	<u>290,968</u>
Total Revenues	<u>923,106</u>

**EXPENDITURES:**

Instructional services	222,695
School administration	101,891
Central services	236,501
Operation of plant	25,220
Maintenance of plant	<u>322,286</u>
Total Expenditures	<u>908,593</u>
Change in fund balance	14,513
Fund balance at beginning of year	<u>198,943</u>
Fund balance at end of year	<u><u>\$ 213,456</u></u>

The accompanying notes are an integral part of these special purpose financial statements.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.  
CHARTER HIGH SCHOOL OF THE AMERICAS  
(A Component Unit of the School Board of Miami-Dade County)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

---

**REVENUES:**

State FTE revenues	\$ 587,105
Local grants and others	39,433
Contributions	<u>76,004</u>
Total Revenues	<u>702,542</u>

**EXPENDITURES:**

Instructional services	180,331
School administration	99,476
Central services	185,399
Operation of plant	12,245
Maintenance of plant	<u>53,324</u>
Total Expenditures	<u>530,775</u>

Change in fund balance	171,767
Fund balance at beginning of year	<u>27,176</u>
Fund balance at end of year	<u><u>\$ 198,943</u></u>

The accompanying notes are an integral part of these special purpose financial statements.



**LINCOLN-MARTI CHARTER SCHOOLS, INC.  
CHARTER HIGH SCHOOL OF THE AMERICAS  
(A Component Unit of the School Board of Miami-Dade County)  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

	<u><b>2015</b></u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances – total governmental fund	\$ 14,513
Expenditures for capital assets	42,410
Less current year depreciation	<u>(4,152)</u>
Change in net position of governmental activities	<u><u>\$ 52,771</u></u>
	<u><b>2014</b></u>
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances – total governmental fund	\$ 171,767
Expenditures for capital assets	14,243
Less current year depreciation	<u>(159)</u>
Change in net position of governmental activities	<u><u>\$ 185,851</u></u>

The accompanying notes are an integral part of these special purpose financial statements.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.  
CHARTER HIGH SCHOOL OF THE AMERICAS  
(A Component Unit of the School Board of Miami-Dade County)  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity**

On January 18, 2012, the Miami-Dade County School Board approved the application submitted by the Board of Directors of Lincoln-Marti Charter Schools, Inc. for the creation of Lincoln-Marti Charter School (Charter High School of the Americas) (the "School"). Lincoln-Marti Charter Schools, Inc. (the "Organization") is a non-profit organization incorporated under the laws of Florida to operate charter schools organized pursuant to Section 1002.33 of the Florida Statutes. The governing body of the School is the Organization's Board of Directors.

The School operates under a charter of the sponsoring school district, the Miami-Dade County School Board (the "School Board"). The School's charter was approved by the School Board on January 18, 2012 and is effective as of July 19, 2012 (Inception) until June 30, 2017. Pursuant to Section 1002.33(8)(e), of the Florida Statutes, the charter school contract provides that in the event the School is dissolved or terminated, any unencumbered funds and all school property purchased with public funds automatically revert to the School Board. During the term of the charter, the School Board may also terminate the charter if good cause is shown. For financial reporting purposes, the School is considered a component unit of the School Board of Miami-Dade County and is included in the School Board's comprehensive annual financial report.

**Enrollment and Grade Configuration**

<b><u>School Name and Addresses</u></b>	<b><u>Grades</u></b>	<b><u>Enrollment</u></b>
Lincoln-Marti Charter Schools (Charter High School of the Americas) 970-984 West Flagler Street Miami, FL 33010	9-12	119

**Board of Directors**

The Board of Directors of the Lincoln-Marti Charter School, Inc. consists of the following members:

Martin Anorga	President/ Chairperson
Clay Reiner	Vice President/Secretary
Gil Beltran	Treasurer

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

**Reporting Entity (Cont'd)**

**Financial Statements Presentation**

For financial reporting purposes, Charter High School of the Americas is a Charter School operated by Lincoln-Marti Charter Schools, Inc.

The special purpose financial statements present the government-wide statements, balance sheet and statement of revenues, expenditures and changes in fund balance for Lincoln-Marti Charter Schools, Inc. (Charter High School of the Americas) only and do not include the assets, liabilities, net position, statement of activities and cash flows of Lincoln-Marti Charter Schools, Inc (a nonprofit organization). Accordingly, the accompanying special purpose financial statements are not intended to present the financial position, changes in net position and cash flows of Lincoln-Marti Charter Schools, Inc. as of June 30, 2015 and 2014 and for the fiscal years then ended in conformity with accounting principles generally accepted in the United States of America.

**Government-Wide and Fund Financial Statements**

The School's government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the School. Governmental activities are supported by Full-Time Equivalent (FTE) dollars and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function and 3) capital grants and contributions that are restricted to meeting the capital requirements of a particular function. FTE dollars and other items not properly included among program revenues are reported instead as general revenues.

The *general fund* is the School's only operating fund and its only governmental fund. It accounts for all financial resources of the school.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The School's government-wide financial statements are reported using the economic resources measurement focus and the 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School's fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 9 months of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting.

FTE dollars, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the School.

**Assets, Liabilities and Net Position**

**Cash and Cash Equivalents**

The School considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. The School has no cash equivalents at June 30, 2015 and 2014.

**Capital Assets**

Capital assets, which include improvements other than buildings and classroom furniture, fixture, textbooks, equipment and others, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual or collective cost of more than \$750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the School are depreciated using the straight-line method over the following estimated useful lives:

	<b><u>Years</u></b>
Improvement other than buildings	10
Classroom furniture, fixtures, equipment and others	3-7

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

**Assets, Liabilities and Net Position (Cont'd)**

**Fund Equity/Net Position**

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

*Nonspendable* - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (i.e. inventories and prepayments) or (b) are legally or contractually required to be maintained intact.

*Restricted* - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the School's Board of Directors. These amounts cannot be used for any other purpose unless the School's Board of Directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

*Assigned* - This classification includes amounts that are constrained by the School's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School's Board of Directors.

*Unassigned* - This classification consists of the fund balance for the General Fund. Unassigned amounts are the portion of fund balance which is not obligated or specifically designated and is available for any purpose.

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

*Investment in Capital Assets (net of related debt)* - is intended to reflect the portion of net position which is associated with non-liquid capital assets less outstanding capital asset related debt. The net related debt is debt less the outstanding liquid assets and any associated unamortized cost.

*Restricted Net Position* - represent liquid assets (generated from revenues and not bond proceeds) which have third party (statutory, bond covenant or granting agency) limitations on their use. The School would typically use restricted net position first, as appropriate opportunities arise, but reserve the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**Note 1 - Summary of Significant Accounting Policies (Cont'd)**

**Assets, Liabilities and Net Position (Cont'd)**

**Fund Equity/Net Position (Cont'd)**

*Unrestricted Net Position* - represent unrestricted liquid assets.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed. When expenditure is incurred for the purpose of which both restricted and unrestricted funds are available, the School considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School has provided otherwise in its commitment or assigned actions.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may differ from actual results.

**Revenue Sources**

Revenues for current operations are received primarily from the Miami-Dade County District School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter, the School reports the number of full-time equivalent students and related data to the District. Under the provisions of Section 1011.62, of the Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

**Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**Date of Management Review**

The School has evaluated subsequent events through August 27, 2015 which is the date the special purpose financial statements were available to be issued.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**Note 2 - Deposits**

The School's cash includes cash on hand and demand deposits. At June 30, 2015 and 2014, the carrying amounts of the School's deposits were \$18,542 and \$210,953, respectively, while the bank balances of such deposits were \$32,093 and \$214,461, respectively. The School's deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"), all cash in the bank is held in banking institutions approved by the State of Florida, State Treasurer.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School does not have a deposit policy for custodial credit risk. At June 30, 2015 the schools deposits are insured under the FDIC limit.

**Note 3 - Capital Assets**

	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
Capital assets, being depreciated:				
Improvements other than buildings	\$ 12,653	\$ 17,500	\$ -	\$ 30,153
Classroom furniture, fixtures, equipment and others	<u>1,590</u>	<u>24,910</u>	<u>-</u>	<u>26,500</u>
Total capital assets being depreciated	<u>14,243</u>	<u>42,410</u>	<u>-</u>	<u>56,653</u>
Less accumulated depreciation for:			-	
Improvements other than buildings	(159)	(2,210)	-	(2,369)
Classroom furniture, fixtures, equipment and others	<u>-</u>	<u>(4,152)</u>	<u>-</u>	<u>(1,942)</u>
Total accumulated depreciation	<u>(159)</u>	<u>(4,152)</u>	<u>-</u>	<u>(4,311)</u>
Total capital assets being depreciated, net	<u>\$ 14,084</u>	<u>\$ 38,258</u>	<u>\$ -</u>	<u>\$ 52,342</u>

Expenditures for capital assets during the fiscal year ended June 30, 2014 were \$42,410.

Depreciation expense was charged to functions/programs of the School as follows:

	<b><u>2015</u></b>	<b><u>2014</u></b>
Governmental activities:		
Maintenance of plant	<u>\$ 4,152</u>	<u>\$ 159</u>

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**Note 4 - Commitments and Contingencies**

**Lease Agreement with DP Real Estate Holdings, LLC**

The Organization entered into a lease agreement for the School premises with D.P. Real Estate Holdings, LLC ("DP") on May 1, 2014. The School is responsible for the leasehold improvements, repairs and maintenance, and the insurance of the properties. The lease term is for a period of five years, expiring in 2019, and includes a provision for escalating annual rentals based on a rate of 4% per year. The provision to escalate the annual rent to 4% was not enforceable during the current year.

The Organization entered into a lease agreement for the School premises with D.P. Real Estate Holdings, LLC ("DP") on February 9, 2015. The School is responsible for the leasehold improvements, repairs and maintenance, and the insurance of the properties. The lease term is for a period of five years, expiring in 2020.

The School's rent expense for the years ended June 30, 2015 and 2014 were approximately \$174,000 and \$27,000, respectively. (See Note 5 - Related Party Transactions).

Minimum required future rental payments under this operating lease as of June 30, 2015 are as follows:

2016	\$ 196,118
2017	202,843
2018	209,837
2019	217,110
2020	<u>16,800</u>
	<u>\$ 842,708</u>

**Risk Management**

The School is exposed to various risks of loss related torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries property and liability insurance. Settlement amounts do not exceed insurance coverage. In addition, there have been no reductions of insurance coverage during the year.

**Management Services Agreement**

The School entered into a five year management agreement with a charter management company Educational Management Associates, LLC, f/k/a Lincoln-Marti Management Services, LLC (LMMS) to provide management and administrative services to the School. The agreement expires on April 24, 2018. On April 25, 2013, the agreement was modified providing for changes in the management fee structures requiring the School to pay, as compensation, a management fee of \$500 per Full Time Equivalent (FTE) per annum. Prior to this date, management fee was based on the full amount of the actual net operating income of the School. The Management fee expense during the fiscal year 2015 and 2014 was approximately \$47,000 and \$45,000, respectively. (See Note 5 - Related Party Transactions).



**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**Note 4 - Commitments and Contingencies (Cont'd)**

Management Company Information:

Name and Address

List of Principal Officers

Educational Management Associates, LLC  
2700 SW 8<sup>th</sup> Street  
Miami, FL 33315

Demetrio Perez

**Note 5 - Related Party Transactions**

Related party transactions occurred during the year with the following entities.

**School Board**

Pursuant to the Charter School Agreement with the School Board, the School Board is paid an administrative fee of up to five percent (5%) of the qualifying revenues of the School. During the years ended June 30, 2015 and 2014, approximately \$28,000 and \$27,000 were paid to the School Board for administrative fees. Pursuant to the Charter School Agreement with the School Board, the School receives from the School Board an FTE for each full-time equivalent student enrolled. There were 119 full time students enrolled during the fiscal year ended June 30, 2015. The School also receives other allowances based upon students enrolled.

**DP Real Estate Holdings, LLC**

During the fiscal years ended June 30, 2015 and 2014, lease expenses for the rental of the school property between DP and the school were approximately \$174,000 and \$27,000. DP Real Estate Holdings, LLC also contributed \$134,708 to the School during the fiscal year ended June 30, 2015. Contributions are made to the School to support fiscal year 2015 operating expenses. Contributions owed to the School as of June 30, 2015 was \$134,708. (See Note 4 - Commitment and Contingencies.)

**Educational Management Associates, LLC**

During the fiscal years ended June 30, 2015 and 2014, the School incurred expenses under the term of the agreement for approximately \$47,000 and \$45,000, respectively. During the fiscal years ended June 30, 2015 and 2014, Educational Management Associates, LLC contributed \$82,000 and \$10,000, respectively. Contributions are made to the School to support fiscal year 2015 operating expenses. Contributions owed to the School as of June 30, 2015 was \$54,173. (See Note 4 - Commitment and Contingencies.)

**U.S. Community Transportation, Inc.**

During the fiscal year ended June 30, 2015, U.S. Community Transportation, Inc. advanced approximately \$80,000 to provide cash flows for the School. These amounts are unsecured non-interest bearing and due on demand. The amount owed by the School as of June 30, 2015 was \$80,000.

**LINCOLN-MARTI CHARTER SCHOOLS, INC.  
CHARTER HIGH SCHOOL OF THE AMERICAS  
(A Component Unit of the School Board of Miami-Dade County)  
NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

---

**Note 6 - Current Vulnerability Due To Concentration**

During the fiscal year 2015, the School received most of its support from the Miami-Dade School Board. It is reasonably possible that in the near term these programs could decrease due to budget cuts at the School Board, which could affect the School and its ability to continue operations. The School has considered this possibility and would seek other funding sources to continue its operations if such circumstances were to occur.

## **SUPPLEMENTARY SCHEDULE**

**LINCOLN-MARTI CHARTER SCHOOLS, INC.**  
**CHARTER HIGH SCHOOL OF THE AMERICAS**  
**(A Component Unit of the School Board of Miami-Dade County)**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES</b>				
State FTE revenues	\$ 1,028,500	\$ 1,028,500	\$ 607,523	\$ (420,977)
Local grants and others	-	-	24,615	24,615
Contributions	<u>-</u>	<u>-</u>	<u>290,967</u>	<u>290,967</u>
Total Revenues	<u>1,028,500</u>	<u>1,028,500</u>	<u>923,105</u>	<u>(105,395)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Administrative team	60,451	60,451	51,997	8,454
Instructional staff	367,080	367,080	184,425	182,655
Benefits	38,763	38,763	19,284	19,479
Contract services	79,002	79,002	73,515	5,487
Advertising and promotion	6,650	6,650	123,266	(116,616)
Financial audit	15,000	15,000	6,000	9,000
Instructional materials	53,200	53,200	3,096	50,104
Telecommunications	3,023	3,023	111,282	(108,259)
Transportation	-	-	13,442	(13,442)
Facilities operations	<u>313,781</u>	<u>313,781</u>	<u>322,286</u>	<u>(8,505)</u>
Total Expenditures	<u>936,950</u>	<u>936,950</u>	<u>908,593</u>	<u>28,357</u>
Change in fund balance	91,550	91,550	14,512	(77,038)
Fund balances at beginning of year	<u>198,943</u>	<u>198,943</u>	<u>198,943</u>	<u>-</u>
Fund balance at end of year	<u>\$ 290,493</u>	<u>\$ 290,493</u>	<u>\$ 213,455</u>	<u>\$ (77,038)</u>

See notes to Budgetary Comparison Schedule.

**INCOLN-MARTI CHARTER SCHOOLS, INC.  
CHARTER HIGH SCHOOL OF THE AMERICAS  
(A Component Unit of the School Board of Miami-Dade County)  
NOTE TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2015**

---

**Note 1 - Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year end. The original budget and any subsequent amendments are approved by the Board of Directors. For the fiscal year ended June 30, 2015, there were no amendments to the original budget.

The general fund actual revenues were \$923,105 for the fiscal year ended June 30, 2015. This is below the budget estimates primarily due to lower FTE students than expected. The actual expenditures of the general fund were \$908,593 for the fiscal year ended June 30, 2015. This is below the budget estimates primarily due to lower than anticipated instructional staff salaries.

## **SUPPLEMENTARY AUDITORS' REPORTS**

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

To the Board of Directors and Officers of  
Lincoln-Marti Charter Schools, Inc.  
(Charter High School of the Americas)  
(A Component Unit of the School Board of Miami-Dade County)

We have audited, in accordance with 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 special purpose financial statements of the governmental activities and major fund, of Lincoln-Marti Charter Schools, Inc. (Charter High School of the Americas) (the "School") (a component unit of the School Board of Miami-Dade County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's special purpose financial statements, and have issued our report thereon dated August 27, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the special purpose financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the special purpose 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 special purpose 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 special purpose 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*.

## **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 School'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.

*The Shapton Group, P. A.*

August 27, 2015



## **MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Directors and Officers of  
Lincoln-Marti Charter Schools, Inc.  
(Charter High School of the Americas)  
(A Component Unit of the School Board of Miami-Dade County)

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

We have audited the special purpose financial statements of the governmental activities and major fund of The Lincoln-Marti Charter Schools, Inc. (Charter High School of the Americas) (the "School"), (a component unit of the School Board of Miami-Dade County), as of and for the fiscal years ended June 30, 2015, and have issued our report thereon dated August 27, 2015.

### **Auditors' Responsibility**

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.

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

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated August 27, 2015, 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 determined whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations or findings made in the preceding audit report.

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Lincoln-Marti Charter Schools, Inc. (Charter High School of the Americas).

### **Financial Condition**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require that we apply appropriate procedures to determine 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 School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

**Financial Condition (cont'd)**

Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

**Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

**Other 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 did not have any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have 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, Federal and other granting agencies, Miami-Dade County School Board, 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.

*The Shapton Group, P. A.*

August 27, 2015