

**LAWRENCE ACADEMY SENIOR HIGH  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2013**

Table of Contents

Introductory Summary	1
The financial Statements	
Report of the Independent Auditor	2
Management's Discussion & Analysis (Required Supplementary Information)	3-7
Government-Wide Financial Statements	8-9
Statement of net position	
Statement of Activities & changes in Net Position	
Fund Financial Statements	10-13
Balance Sheet	
Reconciliation of Fund Balance Sheet to Statement of Net Position	
Statements of Revenues Expenditures and Changes in Fund Balance	
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance with Statement of Activities	
Notes to the Financial Statements	14-18
Required Supplementary Information	
Budgetary Comparison	19
Report of the Independent Auditor on Compliance and Internal Control Over Financial Reporting	20-21
Management Letter	22-23
Management's Response	24

## **Lawrence Academy Senior High**

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2013**

#### **Introductory Summary**

##### **Name and Address**

Lawrence Academy Senior High  
530 SW 1<sup>st</sup> Street  
Florida City, Florida 33034

##### **Director**

Dr. Keitha Burnett

##### **Governing Board**

Althea King – Chairperson  
Lula Pearson – Vice-chairperson  
Melvin Dennis – Board member  
Lucy Santamira – Board Member  
Kenneth Cooper – Board Member  
Kenneth Cooper  
Lucy Santamaria



**James Accounting & Tax Practice, P.A.**

10749 SW 104 Street, Miami FL 33176, Tel: 305-595-2886

email: [verna@jamesaccounting.com](mailto:verna@jamesaccounting.com) Website: [www.jamesaccounting.com](http://www.jamesaccounting.com)

**Report of Independent Auditor**

To The Board of Directors  
Lawrence Academy Senior High  
530 SW 1<sup>st</sup> Street  
Florida City, FL 33034

I have audited the accompanying government-wide and fund financial statements of Lawrence Academy Senior High (a department of Lawrence Academy Inc. and a component unit of Miami-Dade County School District) as listed in the table of contents as of June 30, 2013 and for the year then ended in accordance with generally accepted accounting principles. These statements are the responsibility of management; my responsibility is to express an opinion on these statements based on the audit.

I conducted the audit in accordance with generally accepted auditing standards in the United States of America, and Government Auditing Standards issued by the Comptroller General of the United States of America, as they relate to financial audits. These standards require that we plan and perform the audit to obtain reasonable assurance about whether these statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the statements. An audit also includes assessing the accounting principles used, and significant estimates made by management, and examining the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements mentioned in the first paragraph, present fairly, in all material respects, the financial position and changes in financial position of Lawrence Academy Senior High as of June 30, 2013 and for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated August 27, 2013, on the consideration of the school's internal control over financial reporting, and the test of its compliance with certain provisions of laws, regulation, contracts and grants. The report on internal control is an integral part of the audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of the audit.

The management's discussion and analysis and the budget comparison are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board and the Auditor general of the State of Florida. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

*Verna James*

Certified Public Accountant  
August 27, 2013

## **Lawrence Academy Senior High**

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### **Management's Discussion and Analysis**

Year Ended June 30, 2013

The management of Lawrence Academy Senior High has prepared this discussion and analysis to serve as an introduction to the School's financial statements. The School's financial statements for the year ended June 30, 2013 are presented in accordance with GASB 34. The basic financial statements have 3 parts: government-wide financial statements, fund financial statements, and notes to the financial statements. In addition to the basic financial statements, the report also contains other required supplementary information.

#### **Government-Wide Financial Statements**

The government-wide financial statements consist of the statement on net position and statements of activities, and are designed to provide readers with a broad overview of the school's finances. The statement of net position presents information on all the School's assets and liabilities, the difference between the two being described as net position. Increases or decreases in net position may be an indicator of improvement or deterioration in the School's financial position.

The statement of activities presents information on how the School's net position changed during the past year. All changes in net position are reported when underlying events occur without regard to the timing of related cash flows. Accordingly revenues and expenses are reported in this statement for some items for which the actual cash flows will result in the following year.

#### **Fund Financial Statements**

A fund is a self balancing set of related accounts grouped together to maintain control over resources that have been provided for specific activities, projects, or objectives. The School uses fund accounting to ensure and report compliance with financial-related legal requirements. All the activities of the School are governmental activities, and are reported under the general fund. The fund financial statements report on the same activities included in the government-wide statements, but with a focus on near term inflows and outflows. The fund balance as of June 30, 2013, therefore excludes investments in fixed assets, and represents resources available for expenditure in the near term.

The School's Board adopts an annual budget for the general fund, and a budgetary comparison statement has been provided to demonstrate compliance with the budget.

#### **Notes to the Financial Statements**

The notes to the financial statements provide additional information which is essential to a full understanding of the basic financial statements.

## Lawrence Academy Senior High

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### Management's Discussion and Analysis

Year Ended June 30, 2013

#### Analysis of Financial Statements

##### Government-Wide Financial Statements

The school ended the year with a positive net position of \$83,620 the amount by which assets exceeded liabilities. At the start of the year the net position was \$12,829.

#### Statement of Net Position

<b>ASSETS</b>	<b>June 30, 2013</b>	<b>June 30, 2012</b>
	<b>\$</b>	<b>\$</b>
CURRENT ASSETS:		
Cash	5,665	15,982
Due From Other Agencies	<u>13,677</u>	<u>0</u>
TOTAL CURRENT ASSETS	<u>19,342</u>	<u>15,982</u>
 PROPERTY AND EQUIPMENT:		
Furniture, Fixtures, and Equipment Note 4)	97,843	31,439
Accumulated Depreciation	<u>(33,565)</u>	<u>(4,664)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>64,278</u>	<u>26,775</u>
 <b>Total Assets</b>	<b><u>83,620</u></b>	<b><u>42,757</u></b>
 <b>LIABILITIES AND NET POSITION</b>		
CURRENT LIABILITIES:		
Due to Lawrence Academy Middle School	<u>0</u>	<u>29,928</u>
TOTAL CURRENT LIABILITIES	<u>0</u>	<u>29,928</u>
 NET POSITION: (Note 2)		
Invested in capital assets	64,278	26,775
Restricted	0	7,443
Unrestricted	<u>19,342</u>	<u>(21,389)</u>
TOTAL NET POSITION	<u>83,620</u>	<u>12,829</u>
<b>Total Liabilities and Net Position</b>	<b><u>83,620</u></b>	<b><u>42,757</u></b>

## Lawrence Academy Senior High

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### Management's Discussion and Analysis

Year Ended June 30, 2013

The statement of activities shown below indicates an increase in net position of \$70,791 for the year compared with a decrease of \$103,306 for the previous year.

#### Statement of Activities and Changes in Net Position

	June 30, 2013	June 30, 2012
State Sources	\$	\$
Florida Education Finance Program	430,416	489,786
Other State Funds	-	-
Federal through State	-	-
Charter School Capital Outlay	28,683	48,056
Other Federal Grant	74,149	75,386
Local Sources	<u>9,795</u>	<u>2,511</u>
Total Revenues	543,043	615,739
Expenditures		
Instruction	225,161	306,487
Pupil Personnel Services	1,721	16,780
Media Services	466	
Instructional & Curriculum Development Services	1,861	10,341
Instructional Staff Training Services	694	1,424
Board	8,349	4,407
General Administration	35,985	55,665
School Administration	36,579	55,220
Facilities Acquisition and Construction	17,148	136,395
Fiscal Services	22,353	13,796
Food Services	47,661	43,059
Central Services	5,012	3,252
Pupil Transportation Services	14,437	21,395
Operation of Plant	71,626	40,535
Maintenance of Plant	2,512	5,020
Administrative Technology Services	4,575	2,108
Community Services	683	2,468
Unallocated Depreciation	<u>12,845</u>	<u>693</u>
Total Expenditures	<u>509,668</u>	<u>719,045</u>
Excess of Revenues Over Expenditures	33,375	(103,306)
Extraordinary Item –Transfer of Assets from Elementary Sch.	<u>37,416</u>	<u>-</u>
<b>Change in Net Position</b>	<b>70,791</b>	<b>(103,306)</b>
Net position at beginning of the year	<u>12,829</u>	<u>116,135</u>
Net position at the end of the year	<u>83,620</u>	<u>12,829</u>

## Lawrence Academy Senior High

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### Management's Discussion and Analysis

Year Ended June 30, 2013

#### Fund Financial Statements

At year's end the school's governmental general fund had a balance of \$19,342. This is the amount of near term resources available as of June 30, 2013. The difference between total fund balances and net position is the amount invested in capital assets.

#### Fund Budget Comparison

	Annual Budget Original & Final	Actual
<b>Revenues</b>	\$	\$
State Sources	421,746	430,416
Federal through State		
Charter School Capital Outlay	38,000	28,683
Other Federal Grant	45,601	74,149
Local Sources	<u>3,918</u>	<u>9,795</u>
<b>Total Revenues</b>	<b>509,265</b>	<b>543,043</b>
<b>Expenditures</b>		
Instruction	195,038	225,161
Pupil Personnel Services	7,937	1,721
Media Services		466
Instructional & Curriculum Development Services	76	1861
Instructional Staff Training Services		694
Board	6,303	8,349
General Administration	81,897	35,985
School Administration	53,091	36,579
Facilities Acquisition and Construction	43,245	17,149
Fiscal Services	23,252	22,353
Food Services	41,412	47,661
Central Services	4,924	5,012
Pupil Transportation Services	15,795	14,436
Operation of Plant	65,919	71,626
Maintenance of Plant	4,275	2,512
Administrative Technology Services	8,264	4,575
Community Services	0	682
Furniture Fixtures & equipment	<u>-</u>	<u>2,970</u>
Total Expenditures	551,428	499,792
Excess of Revenues over Expenditures	(42,163)	43,251
Less Share of Elementary School Deficit	<u>-</u>	<u>(9,963)</u>
<b>Net Change in fund balance</b>	<b>(42,163))</b>	<b>33,288</b>
Fund balance at beginning of the year	<u>(13,946)</u>	<u>(13,946)</u>
Fund balance at the end of the year	<u>(56,109)</u>	<u>19,342</u>

## **Lawrence Academy Senior High**

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### **Management's Discussion and Analysis**

Year Ended June 30, 2013

#### **Enrollment**

During the year the school enrolled students as follows:

	<b>2012/2013</b>	<b>2011/2012</b>
Grade 9	28	15
Grade 10	10	22
Grade 11	16	19
Grade 12	17	34
Total	71	90

#### **Request for Information**

This financial report is intended to provide an overview of the financial position of Lawrence Academy Senior High. Requests for additional information may be addressed to Dr. Keitha Burnett, Lawrence Academy Senior High, 530 SW 1<sup>st</sup> Street, Florida City, Florida 33034



**Lawrence Academy Senior High**  
(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade  
County School District)  
**Statement of Net Position**  
**As of June 30, 2013**

**ASSETS**

	\$
CURRENT ASSETS:	
Cash	5,665
Due from Other Agencies	<u>13,677</u>
TOTAL CURRENT ASSETS	<u>19,342</u>
PROPERTY AND EQUIPMENT:	
Furniture, Fixtures, and Equipment (Note 4)	97,843
Accumulated Depreciation	<u>(33,565)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>64,278</u>
<b>Total Assets</b>	<b><u>83,620</u></b>

**LIABILITIES AND NET POSITION**

CURRENT LIABILITIES:	
Due to Lawrence Academy Middle School	<u>0</u>
TOTAL CURRENT LIABILITIES	<u>0</u>
NET POSITION: (Note 2)	
Invested in capital assets	64,278
Unrestricted	<u>19,342</u>
TOTAL NET POSITION	<u>83,620</u>
<b>Total Liabilities and Net Position</b>	<b><u>83,620</u></b>

The notes on pages 14-18 are an integral part of these financial statements.

## Lawrence Academy Senior High

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade  
County School District)

### Statement of Activities and Changes in Net Position

Year Ended June 30, 2013

FUNCTIONS	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue
			Operating Grants and Contributions	Capital Grants and Contributions	
	\$	\$	\$	\$	\$
Instruction	225,161		22,953		(202,208)
Pupil Personnel Services	1,721				(1,721)
Media Services	466				(466)
Instruction and Curriculum Development	1,861				(1,861)
Instructional Staff Training Services	694				(694)
Board	8,349				(8,349)
General Administration	35,985				(35,985)
School Administration	36,579				(36,579)
Facilities Acquisition and Construction	17,149			17,149	0
Fiscal Services	22,353				(22,353)
Food Services	47,661		51,196		3,535
Central Services	5,012				(5,012)
Pupil Transportation Services	14,436				(14,436)
Operation of Plant	71,626			11,534	(60,092)
Maintenance of Plant	2,512				(2,512)
Administrative Technology Services	4,575				(4,575)
Community Services	683				(683)
Depreciation*	<u>12,845</u>		<u>-</u>	<u>-</u>	<u>(12,845)</u>
Total governmental activities	509,668		74,149	28,683	(406,836)
General Revenues:					
Grants and contributions not restricted to specific programs					430,416
Miscellaneous					9,795
Extraordinary Item – Transfer of Elementary School Assets					<u>37,416</u>
Total general revenues, special items, and transfers					477,627
Change in net position					70,791
Net position-beginning					<u>12,829</u>
Net position-ending					<u>83,620</u>

\* This amount excludes the depreciation that is included in direct expenses of the various functions.

The notes on pages 14-18 are an integral part of these financial statements.

**Lawrence Academy Senior High**  
 (A Department of Lawrence Academy Inc. and a Component Unit of  
 Miami-Dade County School District)  
**General Fund Balance Sheet**  
**Year Ending June 30, 2013**

**ASSETS**

\$

CURRENT ASSETS:

Cash and Cash Equivalents	5,665
Due from Other Agencies	<u>13,677</u>
TOTAL CURRENT ASSETS	<u>19,342</u>

**Total Assets**

**19,342**

**LIABILITIES AND NET POSITION**

LIABILITIES:

TOTAL CURRENT LIABILITIES	<u>0</u>
---------------------------	----------

Governmental Fund Balances

Unassigned	<u>19,342</u>
------------	---------------

Total Fund Balances	<u>19,342</u>
---------------------	---------------

**Total Liabilities and fund balances**

**19,342**

The notes on pages 14-18 are an integral part of these financial statements.

**Lawrence Academy Senior High**  
(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade  
County School District)  
**Reconciliation Governmental Fund Balance Sheet to the Statement of Net  
Position**  
**As of June 30, 2013**

	\$
<b>Total Fund Balances - Governmental Funds</b>	<b>19,342</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in <i>governmental activities</i> are not financial resources and therefore are not reported in funds	<u>64,278</u>
<b>Total Net Position - Governmental Activities</b>	<b><u>83,620</u></b>

The notes on pages 14-18 are an integral part of these financial statements.

**Lawrence Academy Senior High**  
(A Department of Lawrence Academy Inc. and a Component Unit of  
Miami-Dade County School District)  
**Statement of Revenues, Expenditures, and Changes in General Fund**  
**Year Ended June 30, 2013**

	General \$	Capital \$	Special Revenues \$	Total General Fund \$
State Sources				
Florida Education Finance Program	430,416			430,416
Other State Funds	0			0
Federal through State				-
Charter School Capital Outlay		28,683		28,683
Other Federal Grant			74,149	74,149
Local Sources	<u>9,795</u>	<u>-</u>	<u>-</u>	<u>9,795</u>
Total Revenues	440,211	28,683	74,149	- 543,043
Expenditures				
Instruction	202,208		22,953	225,161
Pupil Personnel Services	1,721			1,721
Media Services	466			466
Instructional & Curriculum Development Services	1,861			1,861
Instructional Staff Training Services	694			694
Board	8,349			8,349
General Administration	35,985			35,985
School Administration	36,579			36,579
Facilities Acquisition and Construction	0	17,149		17,149
Fiscal Services	22,353			22,353
Food Services	(3,535)		51,196	47,661
Central Services	5,012			5,012
Pupil Transportation Services	14,436			14,436
Operation of Plant	60,092	11,534		71,626
Maintenance of Plant	2,512			2,512
Administrative Technology Services	4,575			4,575
Community Services	682			682
Furniture Fixtures & equipment	<u>2,970</u>	<u>-</u>	<u>-</u>	<u>2,970</u>
Total Expenditures	<u>396,960</u>	<u>28,683</u>	<u>75,149</u>	<u>499,792</u>
Excess of Revenues over Expenditures	43,251			43,251
Less Share of Elementary Sch. Deficit	<u>(9,963)</u>			<u>(9,963)</u>
<b>Net Change in fund balance</b>	<b>33,288</b>			<b>33,288</b>
Fund balance at beginning of the year -unassigned	<u>(13,946)</u>	<u>-</u>	<u>-</u>	<u>(13,946)</u>
Fund Balance at the End of the Year - Unassigned	<u>19,342</u>	<u>-</u>	<u>-</u>	<u>19,342</u>

The notes on pages 14-18 are an integral part of these financial statements.

## Lawrence Academy Senior High

(A Department of Lawrence Academy Inc. and a Component Unit of Miami Dade School District)

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

*Year Ended June 30, 2013*

	\$
Net Change in Fund Balances - Total Governmental Funds	33,288
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Amount owed by the elementary school at time of closure written off in the fund statements, but settled in the government wide statements by the acquisition of elementary school capital assets	9,963
Net position increased due to a transfer of elementary school assets. This transfer being capital in nature is not included in the fund balance	37,416
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 outlay exceeds depreciation in the current period.	<u>(9,876)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>70,791</u></b>

The notes on pages 14-18 are an integral part of these financial statements.

## **Lawrence Academy Senior High**

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### **Notes to financial statement**

**Year ended June 30, 2013**

#### **NOTE –1 NATURE OF ACTIVITIES:**

Lawrence Academy Senior High, a charter school, is a department of Lawrence Academy, Inc. (the corporation) which was incorporated on November 10, 2004 as a not-for-profit under the laws of the state of Florida. The school is recognized as public school (a component unit) within the District of Miami Dade County, as such, the school is funded on the same basis as the District. Additionally, Florida Statutes Section 1002.33, states that the School Board shall monitor revenues and expenditures of charter schools. Charter schools are funded from public funds based on enrollment, and can also be eligible for grants in accordance with the state and federal guidelines, including food service and capital outlay. Additionally, all students enrolled in charter schools are included in the District's total enrollment. Charter schools can accept private donations and incur debt in the operation of the school. The school operates under a charter granted by the School Board of Miami-Dade County, Florida (the sponsor). The current charter is affective until June 30, 2017, and may be renewed for an additional fifteen years by mutual agreement of the parties.

Lawrence Academy, Inc operates 2 charter schools (Lawrence Academy Senior High and Lawrence Academy Middle) from the same location. Although the two schools share certain facilities, they both have separate financial statements. The financial statements for the Middle School are not incorporated in these financial statements. The school may also be financially accountable if an organization is fiscally dependent on the school regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the school are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the school is financially accountable, which would require inclusion in the school's basic financial statement.

#### **NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

##### Basis of Presentation

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

##### Government-Wide and Fund Financial Statements

The government-wide financial statements include a statement of net position and statement of activities. These statements report results for the school as a whole, and cover only government activities as the School does not engage in any business type activities.

## **Lawrence Academy Senior High**

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### **Notes to financial statement**

**Year ended June 30, 2013**

The statement of net position presents the difference between assets and liabilities as net position, which is divided into three categories: amount invested in capital assets, restricted net position, and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations by other governments or enabling legislation.

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, and (2) operating grants and contributions, which finance annual operating activities. These revenues are subject to externally imposed restrictions to specific program uses. Other revenues not properly included with program revenues are reported as general revenues.

#### Fund Financial Statements

A fund is a self balancing set of related accounts grouped together to maintain control over resources that have been provided for specific activities, projects, or objectives. The School uses fund accounting to ensure and report compliance with financial and legal requirements. All the activities of the School are governmental activities, and are reported under a single general. The general fund reports on the same activities included in the government-wide statements, but with a focus on near term inflows and outflows. The general fund balance as of June 30, 2013, therefore excludes investments in capital assets, and represents resources available for expenditure in the near term. Fund balances may be classified as nonspendable, restricted, committed, assigned, or unassigned. The general fund balance as of June 30, 2013 is classified as restricted and unassigned.

#### Basis of Accounting and Measurement Focus

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) The government-wide statements report using the economic resources measurement focus and full accrual basis of accounting. Accordingly revenues are recorded when earned and expenses when incurred without regard to the timing of related cash flows.

The general fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. 'Measurable' means the amount of transaction can be determined, and 'available' means the amount is collectible within 3 months. Expenditures are recorded when the liability is incurred.

#### Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



## **Lawrence Academy Senior High**

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### **Notes to financial statement**

**Year ended June 30, 2013**

#### Functional allocation of expenses

The cost of providing program services, have been summarized on a functional basis in the statement of activities. Accordingly certain costs have been allocated among the programs benefited.

#### Property and equipment

The school capitalizes all expenditures for capital assets in excess of \$1,000. Depreciation is computed using the straight line method over the estimated useful life of the asset. Computer equipment is depreciated over 3 years while furniture & fixtures and other equipment are depreciated over 7 years.

#### Revenue Recognition

The organization's revenue is derived from local governmental. Grant revenue is recognized based on the amount of grant expenses incurred in accordance with budgeted items provided in the grant contract. Grants awarded for specific purposes other than general operations of the organization are deemed to be earned when the organization has incurred expenses in compliance with specific restrictions.

#### Post Retirement Benefits

The school provides no post retirement benefits.

#### Compensated Absences

The school grants ten days for sick and personal leave to full time employees. Employees with unused days at the end of the fiscal year may carry them forward to the following year. The School does not allow employees to take cash in lieu of leave. There were no unused sick or personal days at the end of the year.

#### Income Tax

Lawrence Academy Inc., under which Lawrence Academy Senior High operates, is a not-for-profit organization exempt from federal income tax under Internal Revenue Code 501 (c) (3). Accordingly, no provision for federal income taxes has been made.

### **NOTE 3 - RELATED PARTY TRANSACTIONS**

The school is a department of Lawrence Academy, Inc. (the corporation) and is affiliated with the Lawrence Academy Elementary School and the Lawrence Academy Middle School both also operated by the corporation. The three schools share certain costs as a result of operating out of the same facility. The schools may also advance monies temporarily, to each other.

## Lawrence Academy Senior High

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### Notes to financial statement

Year ended June 30, 2013

#### NOTE 4 – CAPITAL ASSETS

##### Changes in capital asset balances for the year ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Land	0.00	0.00	0.00	0.00
Improve. Other than Buildings (Non-Depreciable.)	0.00	0.00	0.00	0.00
Buildings and Improvements	0.00	0.00	0.00	0.00
Furniture, Fixtures, and Equipment	31,439	63,434	0.00	94,873
Computer Software	<u>-</u>	<u>2,970</u>		<u>2,970</u>
	31,439	66,404	0.00	97,843
Less: Accumulated Depreciation	<u>4,664</u>	<u>28,901</u>	<u>0.00</u>	<u>33,565</u>
<b>Total</b>	<u>26,775</u>	<u>37,503</u>	<u>0.00</u>	<u>64,278</u>

#### NOTE 5 – GRANT SOURCES

Below is a schedule of sources of grants for the year ended June 30, 2013.

	\$
Title 1 Funds	22,953
Capital Outlay Funding	28,683
National School Lunch Program	51,196
Florida Education Finance Program and Other State Programs	<u>430,416</u>
Total	<u>533,248</u>

#### NOTE 6 – CONTINGENCIES:

##### Grantor Audits

Costs reflected in the accompanying financial statements relating to government funded programs are subject to audit by the Grantor Agency. The possible disallowance by the Grantor of any item charged to the program cannot be determined at this time. No provision has been made in these financial statements for any liability that may result.

## **Lawrence Academy Senior High**

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### **Notes to financial statement**

**Year ended June 30, 2013**

#### **NOTE 7 – LEASE EXPENSES**

Lawrence Academy Inc. has entered into a 4 year lease for the premises at 530 SW 1<sup>st</sup> Street, Florida City from August 1<sup>st</sup> 2013, to July 31<sup>st</sup>, 2017. Future Lease payments based on the agreement are as follows:

\$

Year ending June 30, 2014	120,060
Year ending June 30, 2015	144,015
Year ending June 30, 2016	149,193
Year ending June 30, 2017	153,669
Total	<u>566,936</u>

Lawrence Academy Inc has also entered into a 3 year lease for equipment from October 1<sup>st</sup>, 2012 – September 30<sup>th</sup> 2016. Based on the agreement future lease payments are as follows:

\$

Year ending June 30, 2014	10,272
Year ending June 30, 2015	10,272
Year ending June 30, 2016	2,568
Total	<u>23,112</u>

Lawrence Academy Inc. manages Lawrence Academy Middle School as well as Lawrence Academy Senior High. The leases are allocated between the 2 schools based on usage.

#### **NOTE 8 – RISK FINANCING**

The school is exposed to risks inherent in operating a school. The school places all risks, less nominal deductibles, with commercial insurance carriers. The management believes that risks are adequately insured, and that any deductibles that may be incurred in the event of a loss, will not materially affect the financial position of the school.

#### **NOTE 9 – CASH**

Cash accounts are all held with financial institutions which are federally insured.

#### **CONTINGENT LIABILITY**

F.P. Dino Inc. has threatened to file suit against Lawrence Academy Inc. for an alleged default on a lease between Lawrence Academy as tenant and Dino as landlord. To date there is no indication that Dino has filed such a suit. Lawrence Academy believes that it has not breached its previous lease with Dino, and would vigorously defend any case filed by Dino, and would assert its own counterclaim against Dino. At this stage no estimate of the likelihood of success of Dino's threatened claim is available, and so no provisions have been made in these financial statements for the outcome of a possible claim by Dino.

## Lawrence Academy Senior High

(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

### Budget Comparison

Year Ended June 30, 2013

### General Fund

	Annual Budget Original & Final	Actual
<b>Revenues</b>	\$	\$
State Sources	421,746	430,416
Federal through State		
Charter School Capital Outlay	38,000	28,683
Other Federal Grant	45,601	74,149
Local Sources	<u>3,918</u>	<u>9,795</u>
<b>Total Revenues</b>	509,265	543,043
<b>Expenditures</b>		
Instruction	195,038	225,161
Pupil Personnel Services	7,937	1,721
Media Services		466
Instructional & Curriculum Development Services	76	1861
Instructional Staff Training Services		694
Board	6,303	8,349
General Administration	81,897	35,985
School Administration	53,091	36,579
Facilities Acquisition and Construction	43,245	17,149
Fiscal Services	23,252	22,353
Food Services	41,412	47,661
Central Services	4,924	5,012
Pupil Transportation Services	15,795	14,436
Operation of Plant	65,919	71,626
Maintenance of Plant	4,275	2,512
Administrative Technology Services	8,264	4,575
Community Services	0	682
Furniture Fixtures & equipment	<u>-</u>	<u>2,970</u>
<b>Total Expenditures</b>	551,428	499,792
<b>Excess of Revenues over Expenditures</b>	(42,163)	43,251
<b>Less Share of Elementary School Deficit</b>	<u>-</u>	<u>(9,963)</u>
 <b>Net Change in fund balance</b>	 <b>(42,163))</b>	 <b>33,288</b>
<b>Fund balance at beginning of the year</b>	<u>(13,946)</u>	<u>(13,946)</u>
<b>Fund balance at the end of the year</b>	<u>(56,109)</u>	<u>19,342</u>

There were no differences between Budgetary Revenues and Expenditures and GAAP Revenues and Expenditures.



**James Accounting & Tax Practice, P.A.**

10749 SW 104 Street, Miami FL 33176, Tel: 305-595-2886 email: [verna@jamesaccounting.com](mailto:verna@jamesaccounting.com)  
Website: [www.jamesaccounting.com](http://www.jamesaccounting.com)

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

To the Board of Directors  
Lawrence Academy Senior High  
530 SW 1<sup>st</sup> Street  
Florida City, FL 33177

I have audited the basic financial statements of Lawrence Academy Senior High (the school) as of and for the year ended June 30, 2012 and have issued a report thereon dated August 27, 2012. I conducted the 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.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of Lawrence Academy Senior High, are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of the audit, and accordingly, no opinion is provided. Management is responsible for establishing and maintaining effective internal control over compliance with the requirements applicable to regulations, contracts and grants. The result of tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing the audit, I considered internal control over financial reporting in order to determine auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide assurance on the internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the school's internal control over financial reporting. My consideration of internal control over financial reporting is not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However as discussed, below, we identified certain deficiencies in internal control over financial reporting. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned duties, to prevent or detect misstatements on a timely basis.

A material weakness is a condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level, the risk that misstatements in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. There were no matters involving the internal control over financial reporting and its operation that was considered to be material

weaknesses. However, other matters involving internal control over financial reporting were reported to management.

This report is intended solely for the Board of Directors, management, and grantor agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Verna James*

Certified Public Accountant

August 27, 2013



**James Accounting & Tax Practice, P.A.**

10749 SW 104 Street, Miami FL 33176, Tel: 305-595-2886 email: [verna@jamesaccounting.com](mailto:verna@jamesaccounting.com)  
Website: [www.jamesaccounting.com](http://www.jamesaccounting.com)

August 27, 2012

The Board of Directors  
Lawrence Academy Senior High  
530 SW 1<sup>st</sup> Street  
Florida City, Florida 33034

I have audited the financial statements of the Lawrence Academy Senior High, as of and for the fiscal year ended June 30, 2013, and have issued the report thereon dated August 27, 2013.

I conducted the 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 as they relate to financial audits. I have issued an 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, Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on each Major Federal Program and on Internal Control over Compliance. Disclosures in those reports and schedule, which are dated August 27, 2012, should be considered in conjunction with this management letter.

Additionally, the audit was conducted in accordance with Chapter 10.850, Rules of the Auditor General, which governs the conduct of charter school and similar entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

Section 10.854(1)(e)1., Rules of the Auditor General, requires that I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

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 the audit, findings and recommendations are as follows:

**2013-1 Credit card statement was not reconciled with the financial records – a material weakness**

It was found that although credit card transactions were entered, there was no attempt to reconcile credit card statements with the financial records resulting in a significant difference at the end of the year.

**Recommendation**

The credit card account should be treated like a bank account and reconciled at the end of each month. To facilitate this reconciliation, the credit card statements should be provided to Mr. Hunter, the outside CPA each month.

**Management's Response**

Management has agreed to provide the statements to the outside CPA and follow up to ensure that the reconciliation is being done.

☐ Section 10.854(1)(e)4., Rules of the Auditor General, requires that the auditor address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with the audit, there were no such findings

□ Section 10.854(1)(e)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with the audit, there were no such findings.

□ Section 10.854(1)(e)6, Rules of the Auditor General, requires the name or official title of the school. The official title of the school is ***Lawrence Academy Senior School***

□ Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the school has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with the audit, it was determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

*Verna James*  
Certified Public Accountant  
August 27, 2013



*Lawrence Academy Charter School*  
*"Building Character of Tomorrow's Leaders"*  
530 S.W. 1 Street  
Florida City, Florida 33034  
(305) 247-4800 Phone  
(786) 349-4731 Fax

**Althea King**  
Chairperson

**Keitha D. Burnett, Ph.D.**  
Founder/Director

**Israel Katz, Middle School and High School Principal**

August 27, 2013

James Accounting & Tax Practice, PA  
10749 SW 104<sup>th</sup> St.  
Miami FL 33176

Management's Response to Matters Described Below

Section 10.854(1)(e)3., Rules of the Auditor General, requires that I address in the management letter any recommendations to improve financial management. In connection with the audit, findings and recommendations are as follows:

**2013-1 Credit card statement was not reconciled with the financial records**

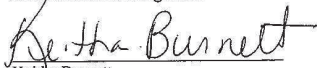
It was found that although credit card transactions were entered, there was no attempt to reconcile credit card statements with the financial records resulting in a significant difference at the end of the year.

**Recommendation**

The credit card account should be treated like a bank account and reconciled at the end of each month. To facilitate this reconciliation, the credit card statements should be provided to Mr. Hunter, the outside CPA each month.

**Management's Response**

Management has agreed to provide the statements to the outside CPA and follow up to ensure that the reconciliation is being done.

  
Keitha Burnett  
Director

