

**Lawrence Academy
Middle School**

Comprehensive Annual Financial Report

Year Ended June 30, 2009

Lawrence Academy Middle School

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009

Introductory Summary

Name and Address

Lawrence Academy Middle School
777 W. Palm Drive
Florida City, FL 33177

Director

Dr. Keitha Burnett

Governing Board

Sophia Santiesteban – Chairperson
Lula Pearson – Vice-chairperson
Lynda Raheem – Treasurer
Althea King - Secretary

Lawrence Academy Middle School

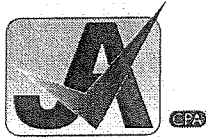
(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2009

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Report of Independent Auditor

To The Board of Directors
Lawrence Academy, Inc
777 W. Palm Drive
Florida City, FL 33177

I have audited the accompanying government-wide and fund financial statements of Lawrence Academy Middle School (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, 2009 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 of Lawrence Academy as of June 30, 2009 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated August 26, 2009, on our consideration of Lawrence Academy's internal control over financial reporting, and our 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 our 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. We 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, we did not audit the information and express no opinion on it.

Verna James
Certified Public Accountant

August 26, 2009

Lawrence Academy Middle School

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

Management's Discussion and Analysis

June 30, 2009

The management of Lawrence Academy 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, 2009 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 (pages 8-9)

The government-wide financial statements consist of the statement on net assets and statements of activities, and are designed to provide readers with a broad overview of the school's finances. The statement of net assets presents information on all the School's assets and liabilities, the difference between the two being described as net assets. Increases or decreases in net asset 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 assets changed during the past year. All changes in net assets are reported when underlying event occurs 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 (pages 10-13)

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. Lawrence Academy 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, as there are no activities that require separate reporting. 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, 2009, 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 Middle School

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

Management's Discussion and Analysis

June 30, 2009

Analysis of Financial Statements

Government-Wide Financial Statements

At year's end Lawrence Academy had a sound financial position with assets exceeding liabilities by \$132,293 as shown in the comparative statement of net assets below.

Statement of Net Assets

ASSETS	June 30, 2009	June 30, 2008
	\$	\$
CURRENT ASSETS:		
Cash	56,552	75,155
Prepaid Expenses	3,224	4,631
Due From Other Agencies	<u>11,734</u>	<u>22,012</u>
TOTAL CURRENT ASSETS	<u>71,510</u>	<u>101,798</u>
PROPERTY AND EQUIPMENT:		
Furniture, Fixtures, and Equipment (Note 4)	205,652	175,130
Accumulated Depreciation	<u>(121,825)</u>	<u>(87,715)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>83,827</u>	<u>87,415</u>
Total Assets	<u>155,337</u>	<u>189,213</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Salaries, Benefits & Payroll Taxes Payable	7,561	21,741
Other accrued liabilities	<u>15,483</u>	<u>7,300</u>
TOTAL CURRENT LIABILITIES	<u>23,044</u>	<u>29,041</u>
NET ASSETS		
Invested in capital assets	83,827	87,415
Unrestricted (Note 2)	<u>48,466</u>	<u>72,757</u>
TOTAL NET ASSETS	<u>132,293</u>	<u>160,172</u>
Total Liabilities and Net Assets	<u>155,337</u>	<u>189,213</u>

Lawrence Academy Middle School

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

Management's Discussion and Analysis

June 30, 2009

The statement of activities shown below, indicate reductions in revenues and net assets, due to budget cuts and reduction in enrollment. The school continued to invest in resources aimed at improving the school's performance, and is very pleased that the school's 'FCAT' grade improved from a C to a B.

Statement of Activities

	Y/e June 30, 2009	Y/e June 30, 2008
	\$	\$
REVENUES		
General Revenues	685,987	821,063
Program Revenues	187,201	175,179
Charges for Services	<u>5,693</u>	<u>12,294</u>
Total Revenue	878,881	1,008,536
EXPENSES		
Instruction	407,627	322,108
General Administration	130,312	222,137
School Administration	84,058	141,262
Facilities Acquisition and Construction	131,332	224,303
Fiscal Services	47,653	30,475
Food Services	56,291	39,960
Pupil Transportation Services	29,624	36,854
Operation of Plant	18,593	27,313
Maintenance of Plant	<u>1,270</u>	<u>6,527</u>
Total Expenses	906,760	1,050,939
CHANGE IN NET ASSETS	(27,879)	(42,403)
NET ASSET AT THE BEGINNING OF YEAR	<u>160,172</u>	<u>202,575</u>
NET ASSETS AT THE END OF YEAR	<u>132,293</u>	<u>160,172</u>

Lawrence Academy Middle School

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

Management's Discussion and Analysis

June 30, 2009

Fund Financial Statements

At year's end Lawrence Academy's general fund had a balance \$48,466. This is the amount that is available for near term expenditures. The difference between the fund balance and the net assets is the amount invested in fixed assets.

General Fund Budget Analysis

As a result of budget cuts, general revenues were less than budgeted. Net assets were reduced to support continued investments in resources aimed at improving the school's performance.

	Annual Budget	Actual
	\$	\$
REVENUES		
General Revenues	737,610	685,987
Program Revenues	167,960	187,201
Charges for Services	-	5,693
Total Revenues	905,570	878,881
EXPENSES		
Instruction	339,805	387,320
General Administration	122,498	130,312
School Administration	143,130	84,058
Facilities Acquisition and Construction	123,760	117,530
Fiscal Services	34,299	47,653
Food Services	42,624	56,291
Pupil Transportation Services	35,891	29,624
Operation of Plant	18,173	18,593
Maintenance of Plant	1,000	1,270
Furniture fixtures and Equipment	5,000	30,522
Total Expenses	866,180	903,172
CHANGE IN NET ASSETS	39,390	(24,291)
FUND BALANCE AT THE START OF THE YEAR	72,757	72,757
FUND BALANCE AT THE END OF YEAR	112,147	48,466

Lawrence Academy Middle School

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

Management's Discussion and Analysis

June 30, 2009

Enrollment

Lawrence Academy had enrollment as follows during the year:

	2008/2009	2007/2008
Grade 6	35	40
Grade 7	36	48
Grade 8	42	46
Total	<u>113</u>	<u>136</u>

Achievement

The School's 'FCAT' grade improved from a C for the school year ending June 30, 2008 to a B for the year ending June 30, 2009. The school has also been accredited by the Southern Association of Colleges and School Council on Accreditation and School Improvement. This accreditation is effective until June 30, 2014.

Request for Information

This financial report is intended to provide an overview of the financial position of Lawrence Academy Middle School. Requests for additional information may be addressed to Dr. Keitha Burnett, Lawrence Academy, 777 W. Palm Drive, Florida City, FL 33177.

Lawrence Academy Middle School
 (A Department of Lawrence Academy Inc. And a Component Unit of Miami Dade School District)
Statement of Net Assets
June 30, 2009

ASSETS	June 30, 2009
	\$
CURRENT ASSETS:	
Cash	56,552
Prepaid Expenses	3,224
Due From Other Agencies	<u>11,734</u>
TOTAL CURRENT ASSETS	<u>71,510</u>
PROPERTY AND EQUIPMENT:	
Furniture, Fixtures, and Equipment (Note 4)	205,652
Accumulated Depreciation	<u>(121,825)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>83,827</u>
Total Assets	<u>155,337</u>
 LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Salaries, Benefits & Payroll Taxes Payable	7,561
Other accrued liabilities	<u>15,483</u>
TOTAL CURRENT LIABILITIES	<u>23,044</u>
NET ASSETS	
Invested in capital assets	83,827
Unrestricted (Note 2)	<u>48,466</u>
TOTAL NET ASSETS	<u>132,293</u>
Total Liabilities and Net Assets	<u>155,337</u>

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

Lawrence Academy Middle School

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

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2009

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Unit Activities
	\$	\$	\$	\$	\$
Component Unit Activities:					
Instruction	407,627		92,104	67,378	(248,145)
General Administration	130,312				(130,312)
School Administration	84,058				(84,058)
Facilities Acquisition and Construction	131,332				(131,332)
Fiscal Services	47,653				(47,653)
Food Services	56,291	5,693	27,719		(22,879)
Pupil Transportation Services	29,624				(29,624)
Operation of Plant	18,593				(18,593)
Maintenance of Plant	<u>1,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,270)</u>
Total governmental activities	906,760	5,693	119,823	67,378	(713,866)
Grant and Contributions not restricted to specific programs					<u>685,987</u>
Change in Net Assets					(27,879)
Net Assets at the start of the year					<u>160,172</u>
Net Assets at the end of the year					<u>132,293</u>

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

Lawrence Academy Middle School

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

General Fund Balance Sheet

Year Ended June 30, 2009

ASSETS	June 30, 2009
	\$
CURRENT ASSETS:	
Cash and Cash Equivalents	56,552
Due to Other Agencies	11,734
Prepaid Equipment	<u>3,224</u>
TOTAL CURRENT ASSETS	<u>71,510</u>
Total Assets	<u>71,510</u>
LIABILITIES AND NET ASSETS	
LIABILITIES:	
Salaries, Benefits & Payroll Taxes Payable	7,561
Other accrued liabilities	<u>15,483</u>
TOTAL CURRENT LIABILITIES	<u>23,044</u>
General fund	<u>48,466</u>
Total Liabilities and fund balances	<u>71,510</u>

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

Lawrence Academy Middle School
(A Department of Lawrence Academy Inc. and a Component Unit of Miami Dade School District)
Reconciliation of the General Fund Balance Sheet to the Statement of Net Assets
As of Year Ended June 30, 2009

	\$
Total Fund Balances - Governmental Funds	48,466
 Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in <i>governmental activities</i> are not financial resources and therefore are not reported in the fund	<u>83,827</u>
Total Net Assets - Governmental Activities	<u>132,293</u>

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

Lawrence Academy Middle School

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

Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2009

	General Fund
	\$
General Revenues	685,987
Program Revenues	187,201
Charges for Services	<u>5,693</u>
	878,881
Expenditures	
Instruction	387,320
General Administration	130,312
School Administration	84,058
Facilities Acquisition and Construction	117,530
Fiscal Services	47,653
Food Services	56,291
Pupil Transportation Services	29,624
Operation of Plant	18,593
Maintenance of Plant	1,270
Furniture Fixtures & Equipment	<u>30,522</u>
	903,172
Net Change in fund balance	(24,291)
Fund balance at beginning of the year	<u>72,757</u>
Fund balance at the end of the year	<u><u>48,466</u></u>

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

Lawrence Academy Middle School

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

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

For the Year Ended June 30, 2009

\$

Net Change in Fund Balance

(24,291)

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

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

(3,588)

Change in Net Assets of Governmental Activities

(27,879)

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

Lawrence Academy Middle School

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

Notes to financial statement

Year ended June 30, 2009

NOTE –1 NATURE OF ACTIVITIES:

Lawrence Academy Middle School, a charter school, is a department of Lawrence Academy, Inc., 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 a 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 the 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, 2015, and may be renewed for an additional fifteen years by mutual agreement of the parties.

In April 2008 Lawrence Academy, Inc was granted an additional charter from the School Board of Miami Dade County of Florida to operate a public high school within the school district. This new school, Lawrence Academy Senior High operates from the same location, but has separate financial statements which are not incorporated in these basic financial statements. The sponsor may cancel the contract for cause as set out in the contract.

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 assets 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.

The statement of net assets presents the difference between assets and liabilities as net assets, which are divided into three categories: amount invested in capital assets, restricted net assets, and unrestricted net assets. Net assets are 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.

Lawrence Academy Middle School

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

Notes to financial statement

Year ended June 30, 2009

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities, and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees, 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. Lawrence Academy 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 the general fund, as there are no activities that require separate reporting. 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, 2009, therefore excludes investments in fixed assets, and represents resources available for expenditure in the near term.

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 the near term. 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.

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 organization capitalizes all expenditures for fixed assets in excess of \$500. Depreciation is computed using the straight line method over the estimated useful life of the asset.

Lawrence Academy Middle School

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

Notes to financial statement

Year ended June 30, 2009

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. The financial statements include an accrual for unused sick and vacation leave.

Income Tax

Lawrence Academy Inc., under which the School 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 High School, and Lawrence Academy Elementary School which are also departments of 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. Resulting from such transactions, there remains as of June 30, 2009 amounts due from the affiliate schools as follows:

Lawrence Academy Senior High	\$9,786
Lawrence Academy Elementary School	<u>1,948</u>
Total	<u>11,734</u>

Lawrence Academy Middle School

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

Notes to financial statement

Year ended June 30, 2009

NOTE 4 – CAPITAL ASSETS

Changes in capital asset balances for the year ended June 30, 2009

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2009
	\$	\$		\$
Buildings and Improvements	38,461	8,050	-	46,511
Furniture, Fixtures, and Equipment	136,669	22,472		159,141
	175,130	30,522		205,652
Less: Accumulated Depreciation	87,715	34,110		121,825
Total	87,415	(3,588)		83,827

NOTE 5 – GRANT SOURCES

Below is a schedule of sources of grant for the year ended June 30, 2009:

	\$
National School Lunch Program	27,719
Capital Outlay Funding	67,378
State School Recognition Funds	24,248
Title 1 Funds	67,856
Florida Education Finance Program	685,987
Total	873,188

Lawrence Academy Middle School

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

Notes to financial statement

Year ended June 30, 2009

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.

NOTE 7 – LEASE EXPENSES

The organization has entered into a five year lease for the premises occupied by the School. This lease ends on July 31st 2010. Future Lease payments are as follows:

	\$
Year ending June 30, 2010	198,000
Year ending June 30, 2011	<u>16,500</u>
Total	<u>214,500</u>

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.

Lawrence Academy Middle School

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

Budgetary Comparison
Year ended June 30, 2009

General Fund

	Annual Budget	Actual
	\$	\$
REVENUES		
General Revenues	737,610	685,987
Program Revenues	167,960	187,201
Charges for Services	<u>-</u>	<u>5,693</u>
Total Revenues	905,570	878,881
EXPENSES		
Instruction	339,805	387,320
General Administration	122,498	130,312
School Administration	143,130	84,058
Facilities Acquisition and Construction	123,760	117,530
Fiscal Services	34,299	47,653
Food Services	42,624	56,291
Pupil Transportation Services	35,891	29,624
Operation of Plant	18,173	18,593
Maintenance of Plant	1,000	1,270
Furniture fixtures and Equipment	5,000	30,522
Total Expenses	<u>866,180</u>	<u>903,172</u>
 CHANGE IN NET ASSETS	 39,390	 (24,291)
FUND BALANCE AT THE START OF THE YEAR	<u>72,757</u>	<u>72,757</u>
FUND BALANCE AT THE END OF YEAR	<u><u>112,147</u></u>	<u><u>48,466</u></u>



James Accounting & Tax Practice, P.A.

10749 SW 104 Street, Miami FL 33176, Tel: 305-595-2886
email: verna@jamesaccounting.com Website: 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 Middle School
A department of Lawrence Academy Inc. and
A component unit of the School District of Miami-Dade County
777 W. Palm Drive
Florida City, FL 33177

I have audited the basic financial statements of Lawrence Academy Middle School (the School) as of and for the year ended June 30, 2009 and have issued a report thereon dated August 26, 2009. 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, 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 our audit, and accordingly, we do not express such an opinion. The result of our 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 would not necessarily disclose all matters in the internal control reporting that might be considered significant deficiencies or material weaknesses. However as discussed, below, we identified certain deficiencies in internal control over financial reporting considered to be significant deficiencies. 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.

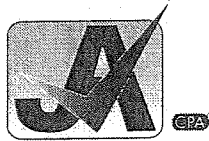
A material weakness is a condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level, the risk that misstatements in amounts that would be material in relation to the financial statements being audited, may occur and not be detected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

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 26, 2006



James Accounting & Tax Practice, P.A.

10749 SW 104 Street, Miami FL 33176, Tel: 305-595-2886
email: verna@jamesaccounting.com Website: www.jamesaccounting.com

August 26, 2009

Dr. Keitha Burnett
Director
Lawrence Academy Middle School
751 West Palm Drive
Florida City FL 33034

Dear Dr. Burnett:

I have audited the accompanying government-wide and fund financial statements of Lawrence Academy Middle School as of June 30, 2009 and for the year then ended, and have issued a report thereon dated August 26, 2009.

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. In accordance with Government Auditing Standards, I have also issued a report dated August 26, 2009, on our consideration of Lawrence Academy's internal control over financial reporting, and our test of its compliance with certain provisions of laws, regulation, contracts and grants. Disclosures in that report, if any, should be read in conjunction with this management letter.

This audit was also conducted in accordance with Section 218.39(4), Florida Statutes, and Rule 10.856(2), which govern the conduct of charter school audits in the state of Florida, and require that certain items be addressed in this letter. Those items are as follows:

1. A statement as to whether corrective actions have been taken to address findings, and recommendations made in the preceding annual financial audit report.

Prior Year Findings and Recommendations

Cancellation of Invoices and other supporting documents

This item was discussed during the previous audit, and we note that a paid stamp was acquired and is being used to stamp the purchase order. We believe that it is also necessary to stamp the invoice and any other supporting documents as well.

Subsequent Action Taken

This procedure has been implemented, but the departure of a crucial staff member resulted in a period when it was not consistently applied. Management has hired a full time administrative assistant, and this function is included in her duties.

Evidence of receipt of equipment and supplies

It was noted that there is no written procedure to verify that supplies and equipment have been received prior to payment.

Management's response

In future the person receiving equipment and supplies will be required to sign the packing slip or other delivery document to detail what has been received. Such evidence of receipt of goods will be required before payments are made. Management was not able to implement this procedure during the past year, but as of the date of this letter, a full time administrative assistant had been hired, and this function is included in her duties.

Cash Receipts

It was noted that there was no efficient way to verify deposits with cash receipts.

Management's response

Beginning immediately, an excel spreadsheet will be prepared for each cash deposit. The spreadsheet will detail different categories of collections and be traceable to the written receipts. Departure of staff during the year prevented this procedure from being consistently performed. As of the date of this letter, full time administrative assistant has been hire, and will be assigned this duty.

Providing All Check Stubs to Outside Accountant

It was noted that checks were being entered from the bank statements instead of the check stubs, which could result in unrecorded transactions. It is recommended that all check stubs be provided to the outside accountant for processing.

Management's response

Management has hired a full time administrative assistant, and data processing will now be handled in house. Management believes that this change will eliminate the problem of potential unrecorded liabilities.

Fixed Asset Register

It is recommended that the fixed asset register be organized in the same categories as the general ledger and totaled, so that the total can be agreed with the general ledger.

Management's Response

This task will be part of the duties of the new administrative assistant.

2. A statement as to whether or not the charter 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. [See also Rule 10.857(1).]

The School has not any conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. [See also Rule 10.857(1).] Specifically the School's results do not reveal a state of financial emergency.

3. Any recommendations to improve the school or center's financial

Current Year Findings

There are no additional findings for the current year.

4. Violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential.

No violations of laws, regulations, contracts or agreements, or abuse have come to my attention, during the performance of the audit.

6. The name or official title of the school or center.

Lawrence Academy Middle School
777 W. Palm Drive
Florida City, FL 33177

Sincerely,



Verna James

Certified Public Accountant

August 26, 2009

Lawrence Academy Charter School

"Building Character of Tomorrow's Leaders"

777 West Palm Drive
Florida City, Florida 33034
(305) 247-4800 phone
(305) 247-4895 fax

Sofia Santiesteban
Chairperson

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



August 26, 2009

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

Management's Response to matters described below

1. A statement as to whether corrective actions have been taken to address findings, and recommendations made in the preceding annual financial audit report.

Prior Year Findings and Recommendations

Cancellation of Invoices and other supporting documents

This item was discussed during the previous audit, and we note that a paid stamp was acquired and is being used to stamp the purchase orders. We believe that it is also necessary to stamp the invoice and any other supporting documents as well.

Subsequent Action Taken

This procedure has been implemented, but the departure of a crucial staff member resulted in a period when it was not consistently applied.

Management's Response

Management has hired a full time administrative assistant, and this function is included in her duties.

Evidence of receipt of equipment and supplies

It was noted that there is no written procedure to verify that supplies and equipment have been received prior

to payment.

Management's Response

In future the person receiving equipment and supplies will be required to sign the packing slip or other delivery document to detail what has been received. Such evidence of receipt of goods will be required before payments are made. Management was not able to implement this procedure last year, but as of the date of this letter, a full time administrative assistant has been hire, and this function is included in her duties.

Cash Receipts

It was noted that there was no efficient way to verify deposits with cash receipts.

Management's Response

Beginning immediately, an excel spreadsheet will be prepared for each cash deposit. The spreadsheet will detail different categories of collections and be traceable to the written receipts. As of the date of this letter, a full time administrative assistant has been hired, and this function is included in her duties.

Providing All Check Stubs to Outside Accountant

It was noted that checks were being entered from the bank statements instead of the check stubs, which could result in unrecorded liabilities. It is recommended that all check stubs be provided to the outside accountant for processing.

Management's Response

Management has hired a full time administrative assistant, and data processing will now be handled in-house. Management believes that this change will eliminate the problem of unrecorded liabilities.

Fixed Asset Register

It is recommended that the fixed asset register be organized in the same categories as the general ledger and totaled, so that the amounts can be agreed with the general ledger. The date of purchase should also be included in the register as this helps in identifying individual assets.

Management's Response

This task will be part of the duties of the new Administrative assistant.

Sincerely,



Keitha Burnett

Director

Lawrence Academy Middle School

August 26, 2009

AUDITOR GENERAL
DISTRICT SCHOOL BOARD AND CHARTER SCHOOL
AUDIT REPORT SUBMITTAL CHECKLIST
(SECTION 11.45(3) (a), FLORIDA STATUTES
(To be submitted with the 2004-2005 fiscal year audit report)

DSB/Charter School Entity Name: **Lawrence Academy Middle School**
DSB/ Charter School Address: **777 West Palm Drive Florida City, Florida 33034**
DSB/Charter School E-Mail ADDRESS: **926286@dadaschools.net**
DSB/Charter School Contact Person:

Name : **Dr. Keitha Burnett**
Title : **Director**
Phone Number: **305-247-4800**

CPA or Other (if applicable):

Name: **Verna James**
Address: **10749 SW 104 ST, MIAMI FL 33176**
Phone Number: **305-595-2886**

Fiscal Year Audited: **Year ended June 30, 2009**

Date Auditor Delivered Audit Report to the DSB or Charter School Operations.
August 31, 2008_

Does the audit report include the following items required by Sections 10.806(2) and 10.856(2),
Rules of the Auditor General:

Yes Financial statements, as described in Sections 10.805(3) and 10.855(4), Rules of the Auditor General (as applicable), together with related notes to financial statements?

Yes The auditor's report on the financial statement?

yes The auditor's report on compliance and internal control?

N/A Any other auditor's reports and related financial information required pursuant to the Federal Single Audit Act Amendments of 1996, OMB Circular A-133, or other applicable Federal Law?

Yes The management letter defined in sections 10.804(1)(d) and 10.854(1)(d), Rules of the Auditor General?

Yes The written statement of explanation or rebuttal required by Sections 10.807(1) and 10.857(1), Rules of the Auditor General?

In addition to the above, have the following requirements been complied with:

Yes Are two copies of the audit report being submitted as required by Sections 10.807(3) and 10.857(3), Rules of the Auditor General?

Yes Was the audit report submitted within 45 days after the completion of the audit, but no later than 12 months after the end of the fiscal year? NOTE: There are no provisions in the statutes for any extensions for filling the audit report.

This checklist should accompany the audit report. It is suggested that you retain a copy of the checklist for your files. Do not hesitate to contact this office if assistance or clarification is needed regarding reporting requirements. Our address, telephone, and fax numbers are as follows:

Auditor General's Office
Claude Pepper Building, Room 412E
111 West Madison Street
Tallahassee, Florida 32399-1450
Telephone: (850) 487-9039
Suncom: 277-9039
Fax : (850) 414-7488
Fax-Suncom : 994-7488
Contact Person: David Martin

The following information should be included in the audit by the organizations submitting their annual external audit. For charter schools, the Auditor General of the State of Florida has issued rules that must be complied with (chapter 10.850).

- Yes 1. The name and address of the school.
- Yes 2. The name of the principal running the school.
- Yes 3. Current list of the Board of Directors of the company:
- N/A 4. If the school is operated by a management company:
- a. Name of the company
- b. Address
- c. List of principal officials
- d. Contractual arrangement with the company, such as length of contract, terms total fees paid for the year, etc. (This information should be included in the footnotes to the financial statements)
- Yes 5. The financial statements must include comparative totals for the prior year.
- Yes 6. The financial statements must comply with GASB 34 requirements if applicable.
- Yes 7. In the footnotes to the financial statements, the following should be disclosed:
- a. Total school enrollment and grade configuration. If separate facilities are in operation, disclose name, address, and the enrollment and grade configuration at each facility.
- b. Full disclosure of related party transactions, which should include the related party's name and address, disclosure of the address, and disclosure of the transaction, particularly if it is a loan that needs to be repaid (principal and interest paid and unpaid) If the debt is in arrears, disclosure of arrangements made to satisfy the debt.
- c. Full disclosure of any other debt in arrears, particularly as they relate to the payment of withholding/social security taxes. Arrangements made to pay the debt(s)
- d. For charter schools, full disclosure in the notes or as a separate schedule in the audit of the tangible personal property purchased with public funds. (It is a current contractual requirement for charter schools; however we recommend that it be part of the audit).
- e. If there is a cash deficit position or significant losses shown in the financial statements, full disclosure as to how the school plans to keep operating. The current assets should be sufficient to cover the current liabilities. The issue is whether sufficient resources would be available to maintain the school open. This issue may be addressed in the management letter.
- f. Any disclosure of events subsequent to the balance sheet date that the auditor believes are important to the readers of the financial statements (e.g. significant contractual arrangements and financing or refinancing of debt, payment of past due taxes, etc.).
- N/A 8. If the audit is not submitted within the contractually required deadline, the management letter must comment on it with the appropriate response from the organization as to how it is going to be remedied in future audit submittals.
- Yes 9. If there are Management Letter findings, each finding must include a response by the organization. If there were prior audit findings, the current audit must include the status of action taken, i.e., whether the recommendation was fully implemented and, if not, when (dates) it will be fully implemented. Note that quarterly reports may be required on a case-by-case basis depending on the severity or lack of resolution of the issues noted in the Management Letter.

10. Please enter the following information about the Certified Public Accountant issuing the audit report:

CPA's Name Verna James

CPA' Address 10749 SW 104 ST, Miami FL 33176

License No. AC0032641 Status Current/active

Expiration Date December 31, 2010