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**Lawrence Academy Elementary School**  
Comprehensive Annual Financial Report  
**Year Ended June 30, 2010**

**LAWRENCE ACADEMY ELEMENTARY 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, 2010**  
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LAWRENCE ACADEMY ELEMENTARY 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, 2010

**Introductory Summary**

**Name and Address**

Lawrence Academy Elementary School Inc  
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



**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 Elementary School, Inc  
777 W. Palm Drive  
Florida City, FL 33177

I have audited the accompanying government-wide and fund financial statements of Lawrence Academy Elementary 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, 2010 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 the audit be planned and performed 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 Elementary School as of June 30, 2010 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 25, 2010, on our consideration of Lawrence Academy Elementary School'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 25, 2010

## **Lawrence Academy Elementary School**

(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, 2010

The management of Lawrence Academy Elementary School 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, 2010 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 of 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 the underlying event occurs without regard to the timing of related cash flows. Accordingly revenues and expenses are reported in this statement for some items 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 Elementary 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 governmental funds. The governmental funds 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, 2010 therefore excludes investments in capital assets, and represents resources available for expenditure in the near term.

The School's Board adopts an annual budget 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 Elementary School**  
(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, 2010

**Analysis of Financial Statements**

**Government-Wide Financial Statements**

At year's end Lawrence Academy Elementary School had a sound financial position with assets exceeding liabilities by \$211,844. This is also a significant improvement over the previous year's net assets of \$73,353 as shown in the comparative statement of net assets below.

**Statement of Net Assets**

<b>ASSETS</b>	June 30, 2010	June 30, 2009
	\$	\$
<b>CURRENT ASSETS:</b>		
Cash	126,248	5,135
Due from Other Agencies	<u>13,681</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>	<u>139,929</u>	<u>5,135</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Furniture, Fixtures, and Equipment (Note 4)	141,178	82,877
Accumulated Depreciation	<u>(42,542)</u>	<u>(12,711)</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>98,636</u>	<u>70,166</u>
<b>Total Assets</b>	<u>238,565</u>	<u>75,301</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Due to Lawrence Academy Middle School		
<b>TOTAL CURRENT LIABILITIES</b>	<u>26,721</u>	<u>1,948</u>
<b>NET ASSETS:</b>	<u>26,721</u>	<u>1,948</u>
Invested in capital assets	98,636	70,166
Unrestricted (Note 2)	<u>113,208</u>	<u>3,187</u>
<b>TOTAL NET ASSETS</b>	<u>211,844</u>	<u>73,353</u>
<b>Total Liabilities and Net Assets</b>	<u>238,565</u>	<u>75,301</u>

## Lawrence Academy Elementary School

(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, 2010

The statement of activities shown below, indicate revenues in excess of expenditures by \$138,491 (prior year-73,353) Increased student enrollment resulted in increased revenues as well as increased expenses, and allowed us to benefit from economies of scale.

#### Statement of Activities

	June 30, 2010	June 30, 2009
	\$	\$
State Sources	836,798	259,637
Federal through State	-	
Charter School Capital Outlay	63,287	
Other Federal Grant	140,522	197,065
Local Sources	<u>4,336</u>	<u>5,932</u>
<b>Total Revenues</b>	<b>1,044,943</b>	<b>462,634</b>
Expenditures		
Instruction	471,736	187,295
Pupil Personnel Services	18,841	
Instructional & Curriculum Development Services	6,489	
Instructional Staff Training Services	1,046	
Board	5,256	
General Administration	99,000	45,919
School Administration	52,381	56,898
Facilities Acquisition and Construction	92,869	47,664
Fiscal Services	20,489	29,816
Food Services	65,966	7,036
Central Services	5,873	
Pupil Transportation Services	24,212	3,328
Operation of Plant	19,809	10,155
Maintenance of Plant	8,958	1,170
Administrative Technology Services	3,756	
Community Services	1,202	
Other Capital Outlay	<u>8,569</u>	<u>-</u>
<b>Total Expenditures</b>	<b><u>906,452</u></b>	<b><u>389,281</u></b>
<b>Net Change in fund balance</b>	<b>138,491</b>	<b>73,353</b>
Fund balance at beginning of the year	<u>73,353</u>	<u>-</u>
Fund balance at the end of the year	<u>211,844</u>	<u>73,353</u>

## Lawrence Academy Elementary School

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

### Management's Discussion and Analysis

Year Ending June 30, 2010

#### Fund Financial Statements

At year's end Lawrence Academy Elementary School's governmental funds totaled \$113,208 (prior year - \$3,187). 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. Higher than budgeted student enrollment resulted in higher than budgeted revenues as well as expenditures.

	Annual Budget	Actual
	\$	\$
State Sources	791,356	836,798
Federal through State		
Charter School Capital Outlay		63,287
Other Federal Grant	144,241	140,522
Local Sources	-	4,336
<b>Total Revenues</b>	<b>935,597</b>	<b>1,044,943</b>
<b>Expenditures</b>		
Instruction	406,332	489,543
Pupil Personnel Services	14,332	18,841
Instructional & Curriculum Development Services	-	6,489
Instructional Staff Training Services	6,000	1,113
Board	4,000	5,256
General Administration	49,790	99,000
School Administration	87,670	52,954
Facilities Acquisition and Construction	57,600	94,031
Fiscal Services	16,960	20,489
Food Services	62,823	65,966
Central Services	12,723	5,873
Pupil Transportation Services	32,823	24,212
Operation of Plant	18,083	20,491
Maintenance of Plant	-	8,958
Administrative Technology Services	5,407	3,756
Community Services	5,658	1,202
Other Capital Outlay	80,000	16,748
<b>Total Expenditures</b>	<b>860,201</b>	<b>934,922</b>
<b>Net Change in fund balance</b>	<b>75,396</b>	<b>110,021</b>
Fund balance at beginning of the year	3,187	3,187
Fund balance at the end of the year	<b>78,583</b>	<b>113,208</b>



## Lawrence Academy Elementary School

(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, 2010

#### Enrollment

Lawrence Academy Elementary School had enrollment as follows during the year:

	2009/2010	2008/2009
Grades K - 2	69	39
Grade 3	20	-
Grade 4	18	-
Grade 5	17	-
Total	<u>124</u>	<u>39</u>

#### Achievement

Lawrence Academy Elementary tripled in size over the previous year (2008-2009). With the rapid growth, the school experienced some issues related to growth. In order to address these issues, management has actively taken measures such as increased teacher training and mandatory after school program for students whose FCAT scores were below expectations. The school required teachers to return seven days prior to the opening of school for professional development and preparation. Additionally, Lawrence Academy Elementary has purchased additional computers, LCD projectors, and learning centers. Lawrence Academy will have a 21st Century Learning Community for the 2010-2011 school year.

#### Request for Information

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

**Lawrence Academy Elementary School Inc**  
 (A Department of Lawrence Academy Inc. And a Component Unit of Miami Dade School District)  
**Statement of Net Assets**  
 As of June 30, 2010

**ASSETS**

	\$
<b>CURRENT ASSETS:</b>	
Cash	126,248
Due from Other Agencies	<u>13,681</u>
<b>TOTAL CURRENT ASSETS</b>	<u>139,929</u>
 <b>PROPERTY AND EQUIPMENT:</b>	
Furniture, Fixtures, and Equipment (Note 4)	141,178
Accumulated Depreciation	<u>(42,542)</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>98,636</u>
 <b>Total Assets</b>	 <u><b>238,565</b></u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>	
Due to Lawrence Academy Middle School	<u>26,721</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>26,721</u>
<b>NET ASSETS:</b>	
Invested in capital assets	98,636
Unrestricted (Note 2)	<u>113,208</u>
<b>TOTAL NET ASSETS</b>	<u>211,844</u>
 <b>Total Liabilities and Net Assets</b>	 <u><b>238,565</b></u>

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

**LAWRENCE ACADEMY ELEMENTARY 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, 2010**

FUNCTIONS	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
<b>Component Unit Activities:</b>	\$	\$	\$	\$	\$
Instruction	471,736	2,309	100,345		(369,082)
Pupil Personnel Services	18,841				(18,841)
Instruction and Curriculum Development Services	6,489		2,152		(4,337)
Instructional Staff Training Services	1,046				(1,046)
Board	5,256				(5,256)
General Administration	99,000				(99,000)
School Administration	52,381				(52,381)
Facilities Acquisition and Construction	92,869			63,287	(29,582)
Fiscal Services	20,489				(20,489)
Food Services	65,966	96	40,177		(25,693)
Central Services	5,873				(5,873)
Pupil Transportation Services	24,212				(24,212)
Operation of Plant	19,809				(19,809)
Maintenance of Plant	8,958				(8,958)
Administrative Technology Services	3,756				(3,756)
Community Services	1,202				(1,202)
Unallocated Depreciation Expense *	8,569				(8,569)
<b>Total governmental activities</b>	<b>906,452</b>	<b>2,405</b>	<b>142,674</b>	<b>63,287</b>	<b>(698,086)</b>

Grants and contributions not restricted to specific programs - FEFP State Funds	834,646
Investment earnings	28
Miscellaneous	1,903
Total general revenues, special items, and transfers	836,577
Change in net assets	138,491
Net assets-beginning	73,353
Net assets-ending	211,844

\* 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 Elementary School

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

## General Fund Balance Sheet Year Ended June 30, 2010

### ASSETS

\$

#### CURRENT ASSETS:

Cash and Cash Equivalents 126,248

Due from Other Agencies 13,681

TOTAL CURRENT ASSETS 139,929

**Total Assets** 139,929

### LIABILITIES AND NET ASSETS

#### LIABILITIES:

Due to Lawrence Academy Middle School 26,721

TOTAL CURRENT LIABILITIES 26,721

Governmental Fund Balance 113,208

**Total Liabilities and fund balances** 139,929

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

**Lawrence Academy Elementary School**  
(A Department of Lawrence Academy Inc. and a Component Unit of Miami Dade School District)  
**Reconciliation of the Government Funds Balance Sheet to the Statement Of Net Assets**  
*As of Year Ended June 30, 2010*

	\$
<b>Total Fund Balances - Governmental Funds</b>	113,208
 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 funds	 <u>98,636</u>
<b>Total Net Assets - Governmental Activities</b>	 <u>\$ 211,844</u>

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

**Lawrence Academy Elementary 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, 2010**

	General	Capital	Special	Total
	\$	\$	Revenues	General Fund
	\$	\$	\$	\$
State Sources	836,798			836,798
Federal through State				-
Charter School Capital Outlay		63,287		63,287
Other Federal Grant			140,522	140,522
Local Sources	<u>4,241</u>	<u>-</u>	<u>95</u>	<u>4,336</u>
Total Revenues	841,039	63,287	140,617	- 1,044,943
 Expenditures				
Instruction	414,093		75,450	489,543
Pupil Personnel Services	3,750		15,091	18,841
Instructional & Curriculum Development Services	583		5,906	6,489
Instructional Staff Training Services	1,113			1,113
Board	5,256			5,256
General Administration	99,000			99,000
School Administration	52,954			52,954
Facilities Acquisition and Construction	30,744	63,287		94,031
Fiscal Services	20,489			20,489
Food Services	25,694		40,272	65,966
Central Services	5,873			5,873
Pupil Transportation Services	24,212			24,212
Operation of Plant	20,491			20,491
Maintenance of Plant	8,958			8,958
Administrative Technology Services	3,756			3,756
Community Services	1,202			1,202
Other Capital Outlay	<u>12,850</u>	<u>-</u>	<u>3,898</u>	<u>16,748</u>
Total Expenditures	<u>731,018</u>	<u>63,287</u>	<u>140,617</u>	<u>- 934,922</u>
<b>Net Change in fund balance</b>	110,021	-	-	110,021
Fund balance at beginning of the year	<u>3,187</u>	<u>-</u>	<u>-</u>	<u>3,187</u>
Fund balance at the end of the year	<u>113,208</u>	<u>-</u>	<u>-</u>	<u>113,208</u>

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

**Lawrence Academy Elementary School**  
 (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.**  
*For the Year Ended June 30, 2010*

	\$
Net Change in Fund Balances - Total Governmental Funds	110,021
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives as depreciation. This is the amount by which capital outlay exceeds depreciation in the current period.	<u>28,470</u>
Change in Net Assets of Governmental Activities	<u><u>138,491</u></u>

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

## **Lawrence Academy Elementary School**

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

Notes to financial statement

Year ended June 30, 2010

### **NOTE –1 NATURE OF ACTIVITIES:**

Lawrence Academy Elementary 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, 2018 and may be renewed for an additional fifteen years by mutual agreement of the parties. The sponsor may cancel the contract for cause as set out in the contract.

Lawrence Academy, Inc operates two other charter schools at the same location, but each school has separate financial statements which are not incorporated in these basic 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 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 Elementary School**

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

Notes to financial statement

Year ended June 30, 2010

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 Elementary 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 governmental funds. 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 balances as of June 30, 2010, 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 fund financial 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 Elementary School**

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

Notes to financial statement

Year ended June 30, 2010

### 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 Middle School, and Lawrence Academy Senior High 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, 2010 amounts due to the affiliate schools as follows:

Lawrence Academy Middle School \$26,721

**Lawrence Academy Elementary School**  
(A Department of Lawrence Academy Inc. and a Component Unit of Miami Dade School District)  
Notes to financial statement  
Year ended June 30, 2010

**NOTE 4 – CAPITAL ASSETS**

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

	<u>* Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
	\$	\$	\$	\$
Land	-	-	-	-
Improve. Other than Buildings (Non-Deprec.)	-	-	-	-
Buildings and Improvements	-	-	-	-
Furniture, Fixtures, and Equipment	<u>82,877</u>	<u>58,301</u>	-	<u>141,178</u>
	82,877	58,301	-	141,178
Less: Accumulated Depreciation	<u>12,711</u>	<u>29,831</u>	-	<u>42,542</u>
<b>Total</b>	<b>70,166</b>	<b>28,470</b>	-	<b>98,636</b>

**NOTE 5 – GRANT SOURCES**

Below is a schedule of sources of grants for the year ended June 30, 2010:

	30-Jun-10	30-Jun-09
Implementation Grant	\$ 73,364	\$ 196,637
Title I Funds	26,981	
Charter School Capital Outlay	63,287	
National School Lunch Program	40,177	
Teacher Lead Program	2,152	427
Florida Education Finance Program	834,646	259,638
<b>Total</b>	<u>1,040,607</u>	<u>456,702</u>

## Lawrence Academy Elementary School

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

Notes to financial statement

Year ended June 30, 2010

### 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

Lawrence Academy Inc. has entered into a fifteen year lease for the premises to be constructed at 713 Palm Drive. Commencement date of the lease is expected to be July 1<sup>st</sup>, 2011. Future Lease payments are as follows:

	\$
Year ending June 30, 2011	720,000
Year ending June 30, 2012	741,600
Year ending June 30, 2013	<u>763,848</u>
Year ending June 30, 2014	<u>786,763</u>
Year ending June 30, 2015	<u>810,366</u>
Thereafter	<u>8,733,961</u>
Total	<u>12,555,938</u>

The lease also calls for a security deposit of \$180,000 payable during the year ending June 30, 2011. Lawrence Academy Inc. manages Lawrence Academy Senior High as well as 2 other charter schools. The cost of the lease will be allocated among the three schools based on the space occupied.

### 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 Elementary School**  
(A Department of Lawrence Academy Inc. and a Component Unit of Miami Dade School District)  
**Budgetary Comparison**  
Year ended June 30, 2010

Governmental Funds

	Annual Budget \$	Actual \$
State Sources	791,356	836,798
Federal through State		
Charter School Capital Outlay		63,287
Other Federal Grant	144,241	140,522
Local Sources	-	4,336
Total Revenues	935,597	1,044,943
Expenditures		
Instruction	406,332	489,543
Pupil Personnel Services	14,332	18,841
Instructional & Curriculum		
Development Services	-	6,489
Instructional Staff Training Services	6,000	1,113
Board	4,000	5,256
General Administration	49,790	99,000
School Administration	87,670	52,954
Facilities Acquisition and Construction	57,600	94,031
Fiscal Services	16,960	20,489
Food Services	62,823	65,966
Central Services	12,723	5,873
Pupil Transportation Services	32,823	24,212
Operation of Plant	18,083	20,491
Maintenance of Plant	-	8,958
Administrative Technology Services	5,407	3,756
Community Services	5,658	1,202
Other Capital Outlay	80,000	16,748
Total Expenditures	<u>860,201</u>	<u>934,922</u>
<b>Net Change in fund balance</b>	75,396	110,021
Fund balance at beginning of the year	<u>3,187</u>	<u>3,187</u>
Fund balance at the end of the year	<u>78,583</u>	<u>113,208</u>



**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 Elementary School  
(A Department of Lawrence Academy Inc. and a Component Unit of Miami Dade School District)  
777 W. Palm Drive  
Florida City, FL 33177

I have audited the basic financial statements of Lawrence Academy Elementary School (the School) as of and for the year ended June 30, 2010 and have issued a report thereon dated August 25, 2010. 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 Elementary School, 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 Elementary School.

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 25, 2010





**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 25, 2010

The Board of Directors  
Lawrence Academy Senior High  
777 West Palm Drive  
Florida City FL 33034

I have audited the financial statements of the Lawrence Academy Middle School Florida, as of and for the fiscal year ended June 30, 2010, and have issued a report thereon dated August 25, 2010.

The audit was conducted 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, Independent Auditor's Report on Compliance with Requirements Applicable to each Major Federal Program and on Internal Control over Compliance. Disclosures in those reports and schedule, which are dated August 25, 2010, 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:

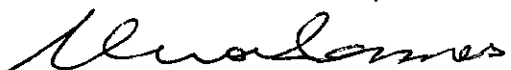
- Section 10.854(1)(e)1., Rules of the Auditor General, requires that the auditor determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address all findings and recommendations made in the preceding annual financial audit report.
- 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 Elementary 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 has been determined that Lawrence Academy Elementary 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, I applied financial condition assessment procedures. It is management's responsibility to monitor the financial condition of Lawrence Academy Elementary School, and the 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 me to indicate 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.



***James Accounting & Tax Practice, PA***  
***August 25, 2010***

**AUDITOR GENERAL**  
**DISTRICT SCHOOL BOARD AND CHARTER SCHOOL**  
**AUDIT REPORT SUBMITTAL CHECKLIST**  
**(SECTION 11.45(3) (a), FLORIDA STATUTES**  
**(To be submitted with the 2009-2010 fiscal year audit report)**

DSB/Charter School Entity Name: **Lawrence Academy Elementary School**

DSB/ Charter School Address: **777 West Palm Drive Florida City, Florida 33034**

DSB/Charter School E-Mail ADDRESS: **kdburnett@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: **2009/2010**

Date Auditor Delivered Audit Report to the DSB or Charter School: **August 31, 2010**

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?

N/A   For district school boards that had an impact fee adopted by ordinance on their behalf, an "affidavit" signed and sworn to by the Chief Financial Officer before an officer authorized to administer oaths (e.g., notary public) stating that the ordinance complied with the requirements of Section 163.31801, Florida Statutes.

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 or 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.
- 7. In the footnotes to the financial statements, the following should be disclosed:
  - Yes 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.
  - N/A 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.
  - N/A 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)
  - Yes 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).
  - N/A 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.
  - N/A 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.
- N/A 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