

**LAWRENCE ACADEMY SENIOR HIGH**  
(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2011**  
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## **Lawrence Academy Senior High**

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

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2011**

#### **Introductory Summary**

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

Lawrence Academy Senior High  
713 West Palm Drive  
Florida City, Florida 33034

##### **Director**

Dr. Keitha Burnett

##### **Governing Board**

Althea King – Chairperson  
Lula Pearson – Vice-chairperson  
Chris Garcia – Treasurer  
Toni Fuller - Secretary



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

10749 SW 104<sup>th</sup> Street, Miami FL 66176, Tel: 305-595-2886, email: verna@jamesaccounting, website:  
www.jamesaccounting

**Report of Independent Auditor**

To The Board of Directors  
Lawrence Academy, Senior High  
713 West Palm Drive  
Florida City, Florida 33034

I have audited the accompanying government-wide and fund financial statements of Lawrence Academy Senior High (a department of Lawrence Academy Inc. and a component unit of Miami-Dade County School District) as listed in the table of contents as of June 30, 2011 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 that 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 the School as of June 30, 2011 and the changes in its net assets and fund balances 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, 2011, on our consideration of the 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 the audit.

The management's discussion and analysis and the budget comparison are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board and the Auditor general of the State of Florida. 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 Account

August 25, 2011

**Lawrence Academy Senior High**  
(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)  
**Management's Discussion and Analysis**  
Year Ended June 30, 2011

The management of Lawrence Academy Senior High has prepared this discussion and analysis to serve as an introduction to the School's financial statements. The School's financial statements for the year ended June 30, 2011 are presented in accordance with GASB 34. The basic financial statements have 3 parts: government-wide financial statements, fund financial statements, and notes to the financial statements. In addition to the basic financial statements, the report also contains other required supplementary information.

**Government-Wide Financial Statements**

The government-wide financial statements consist of the statement on net 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**

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 Senior High 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 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 governmental fund balance as of June 30, 2011 therefore excludes investments in fixed assets and represents resources available for expenditure in the near term.

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

**Notes to the Financial Statements**

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

## Lawrence Academy Senior High

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

### Management's Discussion and Analysis

Year Ended June 30, 2011

#### Analysis of Financial Statements

##### Government-Wide Financial Statements

Lawrence Academy Senior High ended the year with a positive net asset of \$116,135 the amount by which assets exceeded liabilities. The amount is also an improvement over the prior year end when the net assets were \$86,500.

##### Statement of Net Assets

<b>ASSETS</b>	<b>June 30, 2010</b>	<b>June 30, 2010</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS:</b>		
Cash	70,582	148,221
Due From Miami Dade County	<u>6,313</u>	<u>10,045</u>
<b>TOTAL CURRENT ASSETS</b>	<u>76,895</u>	<u>158,266</u>
<b>OTHER ASSETS</b>		
Other Assets	<u>40,756</u>	<u>0</u>
<b>TOTAL OTHER ASSETS</b>	<u>40,756</u>	<u>0</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Furniture, Fixtures, and Equipment Note 4)	27,883	16,343
Accumulated Depreciation	<u>(3,971)</u>	<u>(2,239)</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>23,912</u>	<u>14,104</u>
<b>Total Assets</b>	<u>141,563</u>	<u>172,370</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Due to Lawrence Academy Middle School	0	85,870
Salaries and Wages Payable	<u>25,428</u>	<u>0</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>25,428</u>	<u>85,870</u>
<b>NET ASSETS:</b>		
Invested in capital assets	23,912	14,104
Unrestricted (Note 2)	<u>92,223</u>	<u>72,396</u>
<b>TOTAL NET ASSETS</b>	<u>116,135</u>	<u>86,500</u>
<b>Total Liabilities and Net Assets</b>	<u>141,563</u>	<u>172,370</u>

## Lawrence Academy Senior High

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

### Management's Discussion and Analysis

Year Ended June 30, 2011

The statement of activities shown below indicates an increase in net assets of \$29,635 for the year.

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

	June 30,2011	June 30, 2010
State Sources	\$	\$
Florida Education Finance Program	531,239	555,489
Other State Funds	3,861	3,940
Federal through State		-
Charter School Capital Outlay	42,980	68,034
Other Federal Grant	104,166	51,150
Local Sources	<u>1,092</u>	<u>2,687</u>
Total Revenues	683,338	681,300
Expenditures		
Instruction	283,875	243,656
Pupil Personnel Services	13,998	12,743
Instructional & Curriculum Development Services	6,170	3,782
Instructional Staff Training Services	1,451	570
Board	3,869	3,621
General Administration	60,480	65,813
School Administration	49,307	28,608
Facilities Acquisition and Construction	84,924	122,964
Fiscal Services	13,351	13,610
Food Services	45,853	44,017
Central Services	5,924	7,830
Pupil Transportation Services	20,036	14,962
Operation of Plant	51,326	24,905
Maintenance of Plant	8,480	11,944
Administrative Technology Services	1,330	2,167
Community Services	1,597	1,710
Unallocated Depreciation	<u>1,732</u>	<u>578</u>
Total Expenditures	<u>653,703</u>	<u>603,480</u>
<b>Change in Net Assets</b>	<b>29,635</b>	<b>77,820</b>
Net assets at beginning of the year	<u>86,500</u>	<u>8,680</u>
Net assets at the end of the year	<u>116,135</u>	<u>86,500</u>

## Lawrence Academy Senior High

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

### Management's Discussion and Analysis

Year Ended June 30, 2011

#### Fund Financial Statements

At year's end Lawrence Academy Senior High's governmental funds totaled \$51,467. This is the amount of near term resources available as of June 30, 2011. The difference between total fund balances and net assets is the amount invested in capital assets.

#### Fund Budget Comparison

	Annual Budget	Actual	
		\$	\$
<b>Revenues</b>			
State Sources	558,900	535,100	
Federal through State			
Charter School Capital Outlay	68,000	42,980	
Other Federal Grant	51,000	104,166	
Local Sources	<u>2,900</u>	<u>1,092</u>	
<b>Total Revenues</b>	<b>680,800</b>	<b>683,338</b>	
<b>Expenditures</b>			
Instruction	248,800	293,390	
Pupil Personnel Services	12,800	13,988	
Instructional & Curriculum Development Services	3,800	6,170	
Instructional Staff Training Services	500	209	
Board	3,600	3,869	
General Administration	65,900	60,480	
School Administration	27,900	50,495	
Facilities Acquisition and Construction	123,800	125,680	
Fiscal Services	14,200	13,351	
Food Services	44,200	46,524	
Central Services	7,900	5,924	
Pupil Transportation Services	15,000	20,036	
Operation of Plant	28,600	51,325	
Maintenance of Plant	11,900	8,480	
Administrative Technology Services	2,200	2,747	
Community Services	<u>1,800</u>	<u>1,598</u>	
<b>Total Expenditures</b>	<b>612,900</b>	<b>704,266</b>	
 <b>Net Change in fund balance</b>	 <b>67,900</b>	 <b>(20,929)</b>	
Fund balance at beginning of the year	<u>72,396</u>	<u>72,396</u>	
Fund balance at the end of the year	<u>140,296</u>	<u>51,467</u>	

# Lawrence Academy Senior High

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

## Management's Discussion and Analysis

Year Ended June 30, 2011

### Enrollment

During the year the school enrolled students as follows:

	2009/2011	2009/2010
Grade 9	2	1
Grade 10	2	0
Grade 11	51	11
Grade 12	6	0
Total	61	12

### Achievement

Lawrence Academy Senior High received its accreditation in the spring of 2009 from the Southern Association of Schools and Colleges. During the 2009/2010 school year enrollment at the school increased more than 100% percent over the previous school year. With such a large increase, the school experienced issues related to growth. In order to deal with 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. Management's efforts were rewarded with an improved FCAT score for this school year.

### Request for Information

This financial report is intended to provide an overview of the financial position of Lawrence Academy Senior High. Requests for additional information may be addressed to Dr. Keitha Burnett, Lawrence Academy Senior High, 713 West Palm Drive, Florida City, Florida 33034



**Lawrence Academy Senior High**  
(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade  
County School District)  
**Statement of Net Assets**  
**As of June 30, 2011**

<b>ASSETS</b>	<b>\$</b>
<b>CURRENT ASSETS:</b>	
Cash	70,582
Due From Other Agencies	<u>6313</u>
<b>TOTAL CURRENT ASSETS</b>	<u>76,895</u>
<b>OTHER ASSETS</b>	
Security Deposit	<u>40,756</u>
<b>TOTAL OTHER ASSETS</b>	<u>40,756</u>
<b>PROPERTY AND EQUIPMENT:</b>	
Furniture, Fixtures, and Equipment (Note 4)	27,883
Accumulated Depreciation	<u>(3,971)</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>23,912</u>
 <b>Total Assets</b>	 <u>141,563</u>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES:</b>	
Salaries and Wages payable	<u>25,428</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>25,428</u>
<b>NET ASSETS:</b>	
Invested in capital assets	23,912
Unrestricted (Note 2)	<u>92,223</u>
<b>TOTAL NET</b>	<u>116,135</u>
<b>ASSETS</b>	<u>116,135</u>
<b>Total Liabilities and Net Assets</b>	<u>141,563</u>

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

**Lawrence Academy Senior High**  
(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade  
County School District)  
**Statement of Activities**  
Year Ended June 30, 2011

FUNCTIONS	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue
	\$	\$	\$	\$	\$
Instruction	283,875	473	62,096		(221,306)
Pupil Personnel Services	13,998				(13,998)
Instruction and Curriculum Development	6,170				(6,170)
Instructional Staff Training Services	1,451				(1,626)
Board	3,869				(3,869)
General Administration	60,480				(60,480)
School Administration	49,307				(49,307)
Facilities Acquisition and Construction	84,924			42,980	(41,944)
Fiscal Services	13,351				(13,351)
Food Services	45,853		42,070		(3,783)
Central Services	5,924				(5,924)
Pupil Transportation Services	20,036				(20,036)
Operation of Plant	51,326				(51,326)
Maintenance of Plant	8,480				(8,480)
Administrative Technology Services	1,330				(1,330)
Community Services	1,597				(1,597)
<b>Depreciation</b>	<b>1,732</b>				<b>(1,732)</b>
<b>Total governmental activities</b>	<b>653,703</b>	<b>473</b>	<b>104,166</b>	<b>42,980</b>	<b>(506,084)</b>

General Revenues:

Grants and contributions not restricted to specific programs - FEFP State Funds	535,100
Investment earnings	33
Miscellaneous	586
Total general revenues, special items, and transfers	535,719
Change in net assets	29,635
Net assets-beginning	86,500
Net assets-ending	116,135

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

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

**Lawrence Academy Senior High**  
 (A Department of Lawrence Academy Inc. and a Component Unit of  
 Miami-Dade County School District)  
**General Fund Balance Sheet**  
**Year Ending June 30, 2011**

**ASSETS**

	\$
<b>CURRENT ASSETS:</b>	
Cash and Cash	
Equivalents	70,582
Due from Other Agencies	<u>6,313</u>
<b>TOTAL CURRENT ASSETS</b>	<u><b>76,895</b></u>
Total Assets	<u>76,895</u>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES:</b>	
Salaries and Wages Payable	<u>25,428</u>
<b>TOTAL CURRENT</b>	
<b>LIABILITIES</b>	<u><b>25,428</b></u>
General fund	<u>51,467</u>
<b>Total Liabilities and fund balances</b>	<u><b>76,895</b></u>

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

**Lawrence Academy Senior High**  
 (A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade  
 County School District)  
**Reconciliation Governmental Fund Balance Sheet to the Statement of Net  
 Assets**  
**As of June 30, 2011**

	\$
<b>Total Fund Balances - Governmental Funds</b>	<b>51,467</b>
 Amounts reported for governmental activities in the statement of net assets are different because:	
Security deposit on facilities is not a financial resource and therefore not reported in funds	40,756
Capital assets used in <i>governmental activities</i> are not financial resources and therefore are not reported in funds	<u>23,912</u>
<b>Total Net Assets - Governmental Activities</b>	<b><u>116,135</u></b>

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

**Lawrence Academy Senior High**  
(A Department of Lawrence Academy Inc. and a Component Unit of  
Miami-Dade County School District)  
**Statement of Revenues, Expenditures, and Changes in General Fund**  
**Year Ended June 30, 2011**

	General	Capital	Special	Total
	\$	\$	Revenues	General Fund
	\$	\$	\$	\$
<b>State Sources</b>				
Florida Education Finance Program	531,239			531,239
Other State Funds	3,861			3,861
<b>Federal through State</b>				-
Charter School Capital Outlay		42,980		42,980
Other Federal Grant			104,166	104,166
<b>Local Sources</b>	<u>1,092</u>	<u>-</u>	<u>-</u>	<u>1,092</u>
<b>Total Revenues</b>	536,192	42,980	104,166	683,338
<b>Expenditures</b>				
Instruction	231,284		62,096	293,390
Pupil Personnel Services	13,998			13,988
Instructional & Curriculum Development Services	6,170			6,170
Instructional Staff Training Services	209			209
Board	3,869			3,869
General Administration	60,480			60,480
School Administration	50,495			50,495
Facilities Acquisition and Construction	82,700	42,980		125,680
Fiscal Services	13,351			13,351
Food Services	4,454		42,070	46,524
Central Services	5,924			5,924
Pupil Transportation Services	20,036			20,036
Operation of Plant	51,325			51,325
Maintenance of Plant	8,480			8,480
Administrative Technology Services	2,747			2,747
Community Services	<u>1,598</u>	<u>-</u>	<u>-</u>	<u>1,598</u>
<b>Total Expenditures</b>	<u>557,121</u>	<u>42,980</u>	<u>104,166</u>	<u>704,266</u>
<b>Net Change in fund balance</b>	(20,929)			(20,928)
Fund balance at beginning of the year	<u>72,396</u>	<u>-</u>	<u>-</u>	<u>72,396</u>
Fund balance at the end of the year	<u>51,467</u>			<u>51,467</u>

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

## Lawrence Academy Senior High

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

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

Year Ended June 30, 2011

	\$
Net Change in Fund Balances - Total Governmental Funds	(20,929)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
A security deposit on facilities is not considered financial resources and is therefore not reported in funds	40,756
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.	<u>9,808</u>
<b>Change in Net Assets of Governmental Activities</b>	<u><u>29,635</u></u>

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

## **Lawrence Academy Senior High**

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

### **Notes to financial statement**

**Year ended June 30, 2011**

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

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

Lawrence Academy Senior High operates from the same location as Lawrence Academy Middle School and Lawrence Academy Elementary School which are also a department of Lawrence Academy Inc. The two schools share facilities. Each school, however, has separate 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.

## **Lawrence Academy Senior High**

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

### **Notes to financial statement**

**Year ended June 30, 2011**

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.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities, and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services, and (2) operating grants and contributions, which finance annual operating activities. These revenues are subject to externally imposed restrictions to specific program uses. Other revenues not properly included with program revenues are reported as general revenues.

#### **Fund Financial Statements**

A fund is a self balancing set of related accounts grouped together to maintain control over resources that have been provided for specific activities, projects, or objectives. Lawrence Academy Senior High 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 report on the same activities included in the government-wide statements, but with a focus on near term inflows and outflows. The balances as of June 30, 2011 therefore exclude investments in capital assets, and represent 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.



## **Lawrence Academy Senior High**

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

### **Notes to financial statement**

**Year ended June 30, 2011**

#### Functional allocation of expenses

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

#### Property and equipment

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

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

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

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

**Lawrence Academy Senior High**  
(A Department of Lawrence Academy Inc. and a Component Unit of Miami-Dade County School District)  
**Notes to financial statement**  
**Year ended June 30, 2011**

**NOTE 4 – CAPITAL ASSETS**

**Changes in capital asset balances for the year ended June 30, 2011**

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Land	0.00	0.00	0.00	0.00
Improve. Other than Buildings (Non-Depreciable.)	0.00	0.00	0.00	0.00
Buildings and Improvements	0.00	0.00	0.00	0.00
Furniture, Fixtures, and Equipment	<u>16,343</u>	<u>11,540</u>	<u>0.00</u>	<u>27,883</u>
	16,343	11,540	0.00	27,883
Less: Accumulated Depreciation	<u>2,239</u>	<u>1,732</u>	<u>0.00</u>	<u>3,971</u>
<b>Total</b>	<u><b>14,104</b></u>	<u><b>9,808</b></u>	<u><b>0.00</b></u>	<u><b>23,912</b></u>

**NOTE 5 – GRANT SOURCES**

Below is a schedule of sources of grants for the year ended June 30, 2011.

Title 1 Funds	\$ 52,886
Capital Outlay Funding	42,980
National School Lunch Program	42,070
Florida Education Finance Program	<u>531,239</u>
<b>Total</b>	<u><b>669,175</b></u>

## Lawrence Academy Senior High

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

### Notes to financial statement

Year ended June 30, 2011

#### 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 at 713 Palm Drive, Florida City. The school took possession of the building on August 1<sup>st</sup>, 2011. The lease for the first 3 years has been adjusted to a per student rate instead of the fixed amounts in the original lease. For purposes of this note enrollment is assumed to remain at 385. Future Lease payments are as follows:

	\$
Year ending June 30, 2012	554,400
Year ending June 30, 2013	554,400
Year ending June 30, 2014	554,400
Year ending June 30, 2015	786,763
Year ending June 30, 2015	810,366
Thereafter	<u>9,568,640</u>
Total	<u>12,828,969</u>

Lawrence Academy Inc. manages Lawrence Academy Senior High as well as two other charter schools. The cost of the lease will be allocated among the different 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**  
 Budget Comparison  
 Year ended June 30, 2011

Governmental Funds

	Annual Budget	Actual
	\$	\$
<b>Revenues</b>		
State Sources	558,900	535,100
Federal through State		
Charter School Capital Outlay	68,000	42,980
Other Federal Grant	51,000	104,166
Local Sources	<u>2,900</u>	<u>1,092</u>
<b>Total Revenues</b>	<b>680,800</b>	<b>683,338</b>
<b>Expenditures</b>		
Instruction	248,800	293,390
Pupil Personnel Services	12,800	13,988
Instructional & Curriculum Development Services	3,800	6,170
Instructional Staff Training Services	500	209
Board	3,600	3,869
General Administration	65,900	60,480
School Administration	27,900	50,495
Facilities Acquisition and Construction	123,800	125,680
Fiscal Services	14,200	13,351
Food Services	44,200	46,524
Central Services	7,900	5,924
Pupil Transportation Services	15,000	20,036
Operation of Plant	28,600	51,325
Maintenance of Plant	11,900	8,480
Administrative Technology Services	2,200	2,747
Community Services	<u>1,800</u>	<u>1,598</u>
<b>Total Expenditures</b>	<b>612,900</b>	<b>704,266</b>
<b>Net Change in fund balance</b>	<b>67,900</b>	<b>(20,929)</b>
Fund balance at beginning of the year	<u>72,398</u>	<u>72,398</u>
Fund balance at the end of the year	<u>140,296</u>	<u>51,467</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 Senior High  
777 W. Palm Drive  
Florida City, FL 33177

I have audited the basic financial statements of Lawrence Academy Senior High (the school) as of and for the year ended June 30, 2011 and have issued a report thereon dated August 25, 2011. I conducted the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government auditing standards issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing the audit, I considered internal control over financial reporting in order to determine auditing procedures for the purpose of expressing an opinion on the financial statements, and not to provide assurance on the internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the school's internal control over financial reporting. 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, I 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. There were no matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses. However, other matters involving internal control over financial reporting were reported to management.

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

Verna James  
Certified Public Accountant

August 25, 2011



**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, 2011

The Board of Directors  
Lawrence Academy Senior High  
713 West Palm Drive  
Florida City, Florida 33034

I have audited the financial statements of the Lawrence Academy Senior High, as of and for the fiscal year ended June 30, 2011, and have issued the report thereon dated August 25, 2011.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States as they relate to financial audits. I have issued an Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, 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, 2011, 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 findings and recommendations made in the preceding annual financial audit report except as noted below.

**Prior Year Findings and Recommendations**

**Evidence of prior approval of payments**

There was not consistent evidence of prior approval of some purchases. The transactions in question were book purchases which were ordered online. Because of the nature of the items involved it is extremely important that these purchases are properly approved, and evidence of the approval secured as part of your records. For online orders, a confirmation of the order is available to be printed. This confirmation should be approved by the appropriate personnel, and be presented along with signed delivery document to support a payment request.

**Management's Response**

Management has agreed to ensure that each purchase order/payment request is properly approved and that the invoice is signed by a responsible staff member who is in a position to know that the service been paid has been provided. In the case of supplies or equipment the packing slip or other delivery document will be signed by the person receiving the goods and attached to each payment request.

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

**Inclusion of all Transactions**

It was found that checks written in June 2011, but not paid by bank until July 2011 were initially excluded from the financial statements.

**Recommendation**

Procedures should require that all transactions are entered in the correct period. Entering checks from the check stubs rather than from the bank statements should achieve that.

**Management's Response**

Management now understands that checks are to be entered from the check stubs rather than the bank statements to ensure that all transactions are accounted for.

**Properly completed employee files**

These were generally adequate, but evidence of county approval was not available for employees who had left the school since once they leave Lawrence Academy, they are removed from the county's data base.

**Recommendation**

The approval should be placed on the file at the time it is given.

**Management's response**

County approval of employees will be placed on file at the time it's received.

**The use of the time clock**

It seems that many employees forget to punch in or out several times per month or make error when signing in or out. This is a significant override of the time keeping control which creates added work for payroll personnel, and creates opportunities for errors and abuse.

**Recommendation**

1. Employees should not be paid when they forget to punch in. Employee contracts should include a clause making it clear that time is paid for only if it is recorded by the time clock. (It is understood that there are appropriate exceptions such as when an employee has duties away from school premises)
2. The time clock should be programed to avoid errors such as allowing an employee to sign out when he had not yet signed in or sign in when he had already signed in.

**Management's Response**

We agree that these procedures should be implemented, and will check with the provider of the clock to see what programming changes are possible.

**The Minutes as a Record of Board Governance**

It is important that actions taken by the board are properly recorded. Approving the budget is a different task from approving the quarterly financial statements, and the period of the financial statements being approved is also important. The minutes should reflect that the board is aware of these differences.

**Recommendation**

The minutes should have a section for corrections, so that any errors made in the minutes can be corrected, and the actions of the Board properly recorded.



**Management's Response**

Management will make these changes in the minutes.

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

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

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

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

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

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

  
**Verna James**  
**Certified Public Accountant**

**August 25, 2011**

Lawrence Academy Charter School  
*"Building Character of Tomorrow's Leaders"*

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

Althea King  
Chairperson

The Board of Directors  
Lawrence Academy Senior High

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

August 25, 2011

Management's Response to Matters Described Below

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

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**Management's Response**

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

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**Recommendation**

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**Management's Response**

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*Althea King*  
August 25, 2011