

**LAWRENCE ACADEMY INC**  
**COMPRHEHENSIVE ANNUAL FINANCIAL**  
**REPORT**

SCHOOL CHOICE  
AND PARENTAL OPTIONS  
2006 SEP - 1 AM 9:35

**LAWRENCE ACADEMY INC**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2006**  
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**LAWRENCE ACADEMY INC  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2006**

**Introductory Summary**

**School's Name and Address**

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

**Director**

Dr. Keitha Burnett

**Governing Board**

Ralph Lewis – Acting Chairman  
Lynda Raheem – Secretary/Treasurer  
Sophia Santiesteban - Member



## Report of Independent Auditor

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

We have audited the accompanying statements of financial position of Lawrence Academy Inc. as of June 30, 2006 and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, in accordance with generally accepted accounting principles. These statements are the responsibility of management; our responsibility is to express an opinion on these statements based on our audit.

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

In our opinion, the financial statements mentioned in the first paragraph, present fairly, in all material respects, the financial position of Lawrence Academy as of June 30, 2006, 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, we have also issued a report dated August 25, 2006, on our consideration of Lawrence Academy's internal control over financial reporting, and our test of its compliance with certain provisions of laws, regulation, contracts and grants. This report is an integral part of the audit performed in accordance with Government Auditing Standards should, and be read in conjunction with this report in considering the results of our audit.

The accompanying required supplementary information as of June 30, 2006, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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.

A handwritten signature in black ink, appearing to read "Verna A. James".

Verna A. James  
Miami, Florida  
August 26, 2006

**Lawrence Academy Inc**  
**Statement of Net Assets**  
 June 30, 2006

**ASSETS**

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 44,267
TOTAL CURRENT ASSETS	44,267

PROPERTY AND EQUIPMENT:

Furniture, Fixtures, and Equipment, Net	127,716
Accumulated Depreciation	(19,905)
TOTAL PROPERTY AND EQUIPMENT	107,811

<b>Total Assets</b>	<b>\$ 152,078</b>
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**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES:

Salaries, Benefits & Payroll Taxes Payable	13,811
Other accrued liabilities	7,940
TOTAL CURRENT LIABILITIES	21,751

NET ASSETS

Unrestricted	130,327
TOTAL NET ASSETS	130,327

<b>Total Liabilities and Net Assets</b>	<b>\$ 152,078</b>
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**Lawrence Academy Inc**  
**Statement of Activities and Changes in Net assets**  
**Year ended June 30, 2006**

**REVENUES**

Grants Gifts & Bequests	\$ 672,798
Student Fees	\$ 3,592
<b>Gross Revenue</b>	<b>676,390</b>

**EXPENSES**

/ Salaries	200,828
Employee Benefits	35,157
/ Purchased Services	157,717
Materials & Supplies	92,478
Other Expenses	59,883
<b>Total Expenses</b>	<b>546,063</b>

**CHANGE IN NET ASSETS** **\$ 130,327**

NET ASSET AT THE BEGINNING OF YEAR -

NET ASSETS AT THE END OF YEAR \$ 130,327

**Lawrence Academy Inc**  
**Statement of Cash Flows**  
**Year Ended June 30, 2006**

**CASH FLOW FROM OPERATING ACTIVITIES:**

Net income	\$	130,327
Adjustments:		
Non cash items		
Depreciation		19,905
(Increase) decrease in:		
Other current assets		-
Prepaid Expenses		-
Increase (decrease) in:		
Other current liabilities		
Salaries, Benefits & Payroll Taxes Payable		<u>21,751</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<u><b>171,983</b></u>

**CASH FLOW FROM INVESTING ACTIVITIES:**

Purchase of property and equipment		<u>127,716</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>		<u><b>127,716</b></u>

**CASH FLOW FROM FINANCING ACTIVITIES:**

Net Increase (decrease) in cash and cash equivalents	\$	<u>44,267</u>
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**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD** -

**CASH AND CASH EQUIVALENTS AT THE END OF PERIOD** **\$ 44,267**

## Lawrence Academy, Inc.

Year Ended 30, 2006

Notes to financial statement

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

Lawrence Academy, Inc. was incorporated on November 10, 2004 as a non-for-profit charter school under the laws of the state of Florida. The organization's primary goal is to build character for tomorrow's leaders for middle-grade students by cultivating a rigorous and challenging academic environment.

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

#### Basis of Accounting

The financial statements of Lawrence Academy Inc. have been prepared on the accrual basis of accounting, and accordingly, reflects all significant receivables, payables and other liabilities. Certain expenses incurred during the preparation phase, to prior July 1<sup>st</sup>, 2005, the beginning of the fiscal year, are included in these financial statements.

#### Financial Statement Presentation

These financial statements are presented based on recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organization. Under SFAS 117, the organization is required to report information regarding its financial position and activities according to three classes of assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### 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.

#### 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.



## Lawrence Academy, Inc.

Year Ended 30, 2006

Notes to financial statement

### Contributions

Lawrence Academy also follows recommendations in SFAS No. 116” Accounting for Contributions Received and Contributions Made.” Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence of and nature of any donor restrictions. Under SFAS 116 contributions are required to be reported as temporarily restricted support and are then reclassified as unrestricted net assets upon expiration of the time restriction.

### Income Tax

Lawrence Academy Inc. 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**

There are no related party transactions.

### **NOTE 4 – FURNITURE & EQUIPMENT**

The principal categories of furniture and equipment as of June 30, 2006 are as follows:

	\$
Computer Equipment	42,530
Furniture & Equipment	65,530
Fixed Equipment	19,812
Less Accumulated Depreciation	<u>(19,905)</u>
Furniture & Equipment - Net	<u>107,811</u>

### **NOTE 5 – GRANT SOURCES**

Below is a schedule of sources of grant for the year ended June 30, 2006:

	\$
2005-2008 Public Charter School Planning program Design & Implementation Project	300,000
Florida Education Finance Program	<u>372,798</u>
Total	<u>672,798</u>

**Lawrence Academy, Inc.**

Year Ended 30, 2006

Notes to financial statement

**NOTE 6 – CONTINGENCIES:**

Major Funding Sources:

Grantor Audits

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

**NOTE 7 – LEASE EXPENSES**

The organization has entered into a five year lease for the premises occupied by the school. To facilitate the school's expansion, the lease provides for the lessor to make more square footage available upon request. At this time the school has requested and the lessor is preparing an additional 6000 square feet of space scheduled to be available for the start of the 2007/2008 school year. Accordingly, lease commitments are as follows:

	\$
Year ending June 30, 2007	90,000
Year ending June 30, 2008	198,000
Year ending June 30, 2009	198,000
Year ending June 30, 2010	16,500
Total	<u>502,500</u>

LAWRENCE ACADEMY INC

DISTRICT SCHOOL BOARD OF MIAMI-DADE COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

*For the Fiscal Year Ended June 30, 2006*

Total Fund Balances - Governmental Funds 44,267

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

Capital assets used in *governmental activities* are not financial resources and therefore are not reported in the funds. 107,811

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.

Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 0

Liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. (21751)  
0

Total Net Assets - Governmental Activities \$ 130,327

LAWRENCE ACADEMY INC

DISTRICT SCHOOL BOARD OF MIAMI-DADE  
COUNTY RECONCILIATION OF THE  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES

*For the Fiscal Year Ended June 30, 2006*

Net Change in Fund Balances - Total Governmental  
Funds

44,267

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

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

107,811

The statement of activities reflects only the gain/loss on the sale of assets, whereas  
the governmental funds include all proceeds from these sales. Thus, the change in  
net assets differs from the change in fund balances by the cost of assets sold.

0

Revenues reported in the statement of activities that do not provide current financial  
resources are not reported as revenues in the funds.

Bond proceeds provide current financial resources to governmental funds, but issuing  
debt increases long-term liabilities in the statement of net assets. Repayment of bond  
principal is an expenditure in the governmental funds, but the repayment reduces long-term  
liabilities in the statement of net assets. This is the amount by which proceeds exceeded  
repayments in the current period.

0

Expenses in the statement of activities that do not require the use of current financial  
resources are not reported in the governmental funds.

-21751

Internal service funds are used by management to charge the cost of certain activities,  
such as insurance, to individual funds. The net revenue (expense) of internal service  
funds is reported with governmental activities.

**Change in Net Assets of Governmental Activities**

130,327



**Lawrence Academy Inc**  
MANAGEMENT'S DISCUSSION & ANALYSIS  
Year ended June 30, 2006

This was the first year of operation for Lawrence Academy Inc., and we served 82 children grades 6-7. We received total revenues of \$672, 798, including a federal grant of \$ \$300,000 for public charter school planning for program design and implementation, and \$372,798 from the School Board of Miami-Dade County. Program expenses totaled \$550,655 leaving net assets of \$125,735. We did not achieve budgeted enrollment of 120 students due to delays in construction. The lower enrollment of 82, of course, resulted in lower than budgeted revenues. As a result, we did not institute a retirement plan during this past school year.

We also take pleasure in reporting the percentage of students achieving a 3 or better on the FCAT test:

Grade 6 – 47% of a total of 40 students

Grade 7 – 29% of a total of 42 students

As of the date of this report, 120 children are enrolled for the 2006/2007 school year. We look forward to improved revenues in the new school year because of the increased enrollment, as well as the anticipated reimbursement for school meals. This improvement in revenues will enable us to institute a retirement plan, which is an important benefit to enable us to attract and retain quality teachers.

## Lawrence Academy Inventory Control

Equipment	Quantity	Location	Pur Price 05/06	Total Cost	Jun-06	Jun-07	Jun-08
<b>Technology</b>							
Labtech Elite 820 Headphones	25	Room 103	\$12.99	\$324.75			
JBL Platinum Series Speakers	1	Lobby	\$13	\$13.00			
17 In/16V CRT 0.24MM 1280X 1024 60	1	Office					
	1	Lobby					
	1	Recreation Room					
	1	Room 100					
	1	Room 101					
	26	Room 103					
Total Monitors	31		\$120	\$3,720.00			
48X/32X Combo Drive	2		\$40	\$80.00			
48X CD-RW&DVD Combo Drive	4		\$40	\$160.00			
Mainstream Desktop SFP	6		\$671	\$4,026.00			
DC5100 Desktop PC Small Form Factr	6			Component			
Intel P4-520W/HT(2.8GHZ, 1MB, 800MH	6			Component			
Floppy Drive	6			Component			
80GB SERIAL ATA 7200RPM HD	6			Component			
HP USB OPTICAL MOUSE CBT/SLVR	6			Component			
2004 STANDARD KEYBOARD PS/2	6			Component			
COUNTRY KIT DC5100/DX2-100ST	6			Component			
MS WINDOWS XP PRO	6			Component			
MAPLE RESTORE CD	6			Component			
512MB PC2-4200 (DDR 533) 2X256	6			Component			
16X/40X DVD-ROM DRIVE	4		\$0				
MDCPS DC5100 LOW END PC MICRO	25	Room 103	\$600	\$15,000.00			
7FT CAT5EGRAY PATCH CORD	25			Component			
DC5100 Desktop PC Small Form Factr	25			Component			
INTEL CELERON D330 2.66GHZ	25			Component			
Floppy Drive	25			Component			
40GB SERIAL ATA 7200RPM	25			Component			
HP USB OPTICAL MOUSE CBT/SLVR	25			Component			
48X CD-ROM Drive	25			Component			

Component	Quantity	Unit Price	Total Price	Notes
256MB PC2-3200	25			
2004 STANDARD KEYBOARD PS/2	25	\$0		
Thermal Kit	25			
COUNTRY KIT DC5100/DX2100ST	25			
MS WINDOWS XP PRO	25			
MAPLE RESTORE CD	25			
MICROSOFT WINDOWS 2003 CAL	25			
JBL Platinum Series Speakers	25	\$0		
HEADSET UNIT	25	\$13	\$324.75	
MS OFFCE PRO 2003 ACAD MOLP	31	\$59	\$1,829.00	
MS OFFCE PRO 2003 ACAD MOLP	1	\$86	\$86.00	
OFFICE 2003 MEDIA	1	\$0		
3RD PARTY APPLICATION LOAD	25	\$0		
Floppy Drive				
PROLIANT ML350 G4 HOTPLUC SCSI	1	\$4,400	\$4,400.00	
Intel X3.0GHz/800-1MB ML350G4	1	\$0		
HP - Memory - 1GBx1- DDR -333 MHz/F	2	\$0		
WINDOWS SERVER 2003 STANDARD	1	\$0		
72GB 10K U320 PLUGGABLE	3	\$0		
HP SMART ARRAY 6402/128 CONTR	1	\$0		
RAID 5 DRIVE SERT (REQUIRES MAT	1	\$0		
HP StorageWorks DLT VS80 Tape Drive	1	\$0		
HP 48X CD-ROM Drive	1	\$0		
REDUNDANT POWER SUPPLY 700 FO	1	\$0		
REDUNDANT FAN KIT FOR ML350 G4	1	\$0		
L1530 15" TLT FLAT PANEL MONITOR	1	\$0		
UPS T1000 XR 1000VA/700W 5-15P	1	\$0		
HP USB Optical Scroll Mouse -Mouse -c	1	\$0		
HP Standard Keyboard USB	1	\$0		
Belkin - Patch Cable - 14 ft	28	\$6	\$168.00	
Belkin - Patch Cable - 25 ft	6	\$12	\$72.00	
Win Office XP Pro/Install	31	\$59	\$1,829.00	
Microsoft Office XP Professional Media	1	\$86	\$86.00	
HP Laserjet Printer B/W	1			Lobby
	1			Room 103
Total Laserjet B/W	2	\$748	\$1,496.00	
HP Laserjet Printer Color	1	\$830	\$830.00	Office



HP Fax 1240	1	Office	\$144	\$144.00	
HP ProCurve Switch 2626	1	Office	\$365	\$365.00	
5 Port 10/100 Switch Network	6	Office	\$49	\$294.00	
Scanner	1	Office			
Cpmputer Systems	1			\$7,204.74	
Total Scanners	2	Room 103	\$38.88	\$77.76	
<b>Total Computers</b>				<b>\$42,530.00</b>	<b>\$42,530.00</b>
Overhead Projector	1	Classroom 100			
	1	Classroom 101			
	1	Classroom 103			
Total Overhead Projectors	3		\$209.49	\$628.47	
Amplivox Tabletop Lectern	1	Office	\$599	\$599.00	
Hewlett Packard DV4230US	1	Office	\$898.88	\$898.88	
Copy Machine Leased from Canon	1	Office			
Magnavox 32MT 3305 TV	1	Room 101			
	1	Tutoring Room			
Total Other Technology					\$0.00
<b>Science Equipment</b>					
Compound Microscopes	25		\$175.00	\$4,375.00	
Triple Beam Balance	15		\$105.00	\$1,575.00	
Total Science Equipment					\$0.00
<b>Furniture &amp; Office Equipment</b>					
Desks	10		Donation		
3 Seat Sofa	1	Lobby	\$781	\$781.00	
2 Seat Sofa	1	Lobby	\$613	\$613.00	
Chair Desk	1	Room 103	Donation		
	49	Storage Room	Donation		
Chair/Desk	26	Room 100			
	25	Room 103			
	25	Tutoring Room			
	19	Storage Room			
	1	Office			
	1	Lobby			
	100		\$69	\$6,900.00	
Astute Stack Chair	2	Recreation Room			
	1	Room 100			

5	Tutoring Room							
1	Office							
35	Room 101							
23	Room 103							
3	Hallway							
2	Lunch Room							
51	Storage Room							
125		\$23.50	\$2,937.50					
1	Lobby	Donation						
4	Office							
1	Room 100							
2	Room 101							
1	Room 103							
1	Tutoring Room							
1	Storage Closet							
10		\$80.08	\$800.80					
2	Storage Closet	\$906.48	\$1,812.96					
13	Tables		\$0.00					
16	Room 101	\$271	\$4,336.00					
3	Bookcase							
1	Office							
1	Recreation Room							
2			\$0.00					
1	Recreation Room							
1	Room 100							
2	Room 101							
1	Room 103							
1	Office							
1	Tutoring Room							
5		\$405	\$2,025.00					
4	Hallway							
1	Lunch Room							
5		\$548	\$2,740.00					
10	Storage Room	\$192	\$1,920.00					
10	Storage Room	\$698	\$6,980.00					
3	Storage Room	\$340	\$1,020.00					
1		\$14,894	\$14,894.00					
	Filing Cabinet Small							
	Filing Cabinets Large							
	Filing Cabinets Fireproof							
	Tables							
	Science/Biology Table							
	Bookcase							
	Plastic Felt Bulletin Board							
	Porcelain on Steel Marker Boards							
	Total Marker Boards							
	Box Locker							
	Standard Umbrella							
	Picnic Table with 4 seats							
	32-gallon Metal Trash Receptacle							
	Telephone Equipment							

Kitchen Equipment	1		\$6,160	\$6,160.00		
Total Furniture and Office Equipment				0		
<b>Sporting Goods &amp; Games</b>					\$0.00	
Mammoth goal	2		\$1,199	\$2,398.00		
Soccer Table	1		\$280	\$280.00		
Basketball Goals	2	Behind School	\$349.99	\$699.98		
Total Furniture, Fixtures & Equipment				\$65,374.59	\$0.00	\$65,374.59
Fixed Equipment						
Fire Alarm	1		\$14,845	\$19,812.00	\$19,812.00	

**\$127,716.59**

GRAND TOTAL

**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, Inc  
Florida City, FL 33177

We have audited the financial statements of Lawrence Academy, Inc. as of and for the year ended June 30, 2006 and have issued our report thereon dated August 25, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government auditing standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of Lawrence Academy, Inc are free from material misstatement, we 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 our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, and not to provide assurance on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control reporting that might be material weaknesses. 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, or were worthy of comment or recommendation.

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 A. James  
Miami Florida  
August 26, 2006

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

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

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

DSB/Charter School E-Mail ADDRESS: **926286@dadaschools.net**

DSB/Charter School Contact Person:

Name : **Dr. Keitha Burnett**

Title : **Director**

Phone Number: **305-247-4800**

CPA or Other (if applicable):

Name: **Verna James**

Address: **10749 SW 104 ST, MIAMI FL 33176**

Phone Number: **305-595-2886**

Fiscal Year Audited: **2005/06**

Date Auditor Delivered Audit Report to the DSB or Charter School August 31, 2006

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?

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

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

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

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

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

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

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

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

- Yes 1. The name and address of the school.
- Yes 2. The name of the principal running the school.
- Yes 3. Current list of the Board of Directors of the company:
- N/A 4. If the school is operated by a management company:
  - a. Name of the company
  - b. Address
  - c. List of principal officials
  - d. Contractual arrangement with the company, such as length of contract, terms total fees paid for the year, etc. (This information should be included in the footnotes to the financial statements)
- N/A 5. The financial statements must include comparative totals for the prior year.
- Yes 6. The financial statements must comply with GASB 34 requirements if applicable.
- Yes 7. In the footnotes to the financial statements, the following should be disclosed:
  - a. Total school enrollment and grade configuration. If separate facilities are in operation, disclose name, address, and the enrollment and grade configuration at each facility.
  - 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, 2006