

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

FINANCIAL STATEMENTS

June 30, 2009

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Student Leadership Academy of Venice, Inc.
Venice, Florida

We have audited the accompanying financial statements of the governmental activities, General Fund, and the remaining fund information of Student Leadership Academy of Venice, Inc., (a Charter School and component unit of the School Board of Sarasota County) as of and for the year ended June 30, 2009, which collectively comprise the Charter School's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Student Leadership Academy of Venice, Inc. Our responsibility is to express opinions on these financial statements based on our audit.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Student Leadership Academy of Venice, Inc.'s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, General Fund, and the remaining fund information of Student Leadership Academy of Venice, Inc. as of June 30, 2009, and the respective changes in financial position 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 our report dated October 22, 2009, on our consideration of Student Leadership Academy of Venice, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is

to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 8 and pages 24 and 25, respectively, 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 inquiries 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Student Leadership Academy of Venice, Inc.'s basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

CPA Associates

Bradenton, Florida
October 22, 2009

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL BOARD OF SARASOTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2009

(Unaudited)

As management of Student Leadership Academy of Venice, Inc., we offer readers of the financial statements this narrative overview and analysis of the financial activities of Student Leadership Academy of Venice, Inc. for the fiscal year ended June 30, 2009.

Readers should review this Management's Discussion and Analysis in addition to the basic financial statements and the accompanying notes to the financial statements to gain an understanding of Student Leadership Academy of Venice, Inc. as an operating entity.

Operating Entity

Student Leadership Academy of Venice, Inc. was incorporated as a non-profit corporation in 2004, operating a middle school (grades 6 and 7) during the 2004-2005 year and expanding to include grade 8 in the 2005-2006 year. Total enrollment for the first, second, third, fourth and fifth years averaged 153, 165, 226, 247 and 279, respectively. The target enrollment for the 2009-2010 year is 306.

The school occupies a leased facility situated in an excellent location on the island in Venice, with County-operated athletic fields located across a quiet residential street. These fields are available for physical fitness classes and team sports.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Student Leadership Academy of Venice, Inc.'s basic financial statements. Student Leadership Academy's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

Government-wide financial statements are designed to provide readers with a broad overview of Student Leadership Academy's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the assets and liabilities as of the June 30, 2009, showing total assets of \$700,448 and total liabilities of \$157,000. The liabilities include compensation and pension benefits payable of \$147,401. Net assets of \$543,448 are the difference between total assets and total liabilities. Over time, the increase or decrease in net assets may serve as a useful indicator of whether the financial position of Student Leadership Academy is improving or deteriorating.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL BOARD OF SARASOTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
(Unaudited)

Statement of Net Assets

Statement of Net Assets

	2009	2008	Change
Current and other assets	\$ 292,693	165,937	126,756
Capital assets	407,755	335,638	72,117
Total assets	\$ 700,448	501,575	198,873
Current liabilities	\$ 157,000	164,126	(7,126)
Total liabilities	\$ 157,000	164,126	(7,126)
Invested in capital assets, net of related debt	\$ 407,755	335,638	72,117
Unrestricted	135,693	1,811	133,882
Total net assets	\$ 543,448	337,449	205,999

The school added an additional \$86,810 for instructional and communications equipment to accommodate the increased school enrollment, and completed \$51,255 in leasehold improvements to replace carpet throughout the school. These capital assets were paid for using available cash on hand from the operating budget and millage funding from the County during the 2008-2009 year. In addition, the school expects to be receiving \$178,000 in new millage funding from the County during the 2009-2010 year.

The Statement of Activities presents information showing how the school's net assets increased by \$205,999. As noted in the schedule below, revenues and related expenses for instruction, general administration, pupil transportation services increased as a direct result of increased student enrollment.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL BOARD OF SARASOTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
(Unaudited)

Statement of Activities

	2009	2008	Change
Revenues			
Program Revenues			
Operating grants and contributions	\$ 25,300	23,400	1,900
General Revenues:			
Grants and contributions not restricted to specific programs	2,481,753	2,159,786	321,967
Miscellaneous revenue	14,917	31,984	(17,067)
Investment return	1,012	610	402
Total revenues	2,522,982	2,215,780	307,202
Expenses			
Instruction	1,245,924	1,092,820	153,104
Pupil personnel services	35,949	29,267	6,682
Instructional media services	22,475	12,677	9,798
Instruction and curriculum development	8,141	1,500	6,641
Instructional staff training	6,577	884	5,693
General administration	109,991	100,141	9,850
School administration	387,700	309,450	78,250
Fiscal services	39,225	28,150	11,075
Food services	10,033	7,615	2,418
Pupil transportation services	118,965	106,730	12,235
Operation of plant	296,801	275,639	21,162
Maintenance of plant	35,202	34,722	480
Interest and fiscal charges	--	5,582	(5,582)
Total expenses	2,316,983	2,005,177	311,806
Change in net assets	205,999	210,603	(4,604)
Beginning net assets	337,449	126,846	210,603
Ending net assets	\$ 543,448	337,449	205,999

The government-wide financial statements can be found on pages 9 and 10 of this report.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
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SCHOOL BOARD OF SARASOTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2009

(Unaudited)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Student Leadership Academy of Venice, Inc., like other state and local government component units, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The individual generic fund type in Student Leadership Academy's financial statements is a governmental fund. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the entity's near term financing requirements.

The only governmental fund utilized by Student Leadership Academy is the General Fund. Student Leadership Academy had a fund balance of \$135,693 in the General Fund as of June 30, 2009.

The General Fund financial statements can be found on pages 11 and 13 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 through 23 of this report.

General Fund Budget

Last year, the Board closely monitored the school's financial performance relative to the tentative budget on a monthly basis. The Board made formal budget amendments to approve changes and they monitored the bottom line for the overall financial effect on the school. For the 2009-2010 year, the Board will continue to make formal budget amendments to approve changes as the financial environment changes.

The Board has approved an operating budget for the 2009-2010 academic year based on a student enrollment of 306 students. The budget demonstrates that the school will have a budgeted surplus from operations of \$160,000 which will be available for future capital needs.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL BOARD OF SARASOTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009
(Unaudited)

Capital Assets

Below is a schedule of capital assets net of accumulated depreciation as of June 30, 2009 and 2008. See Note B to the financial statements for a detail of the changes during the year and related accumulated depreciation. Major changes during the year included updating the school's internet and computer systems, and the replacement of carpet. The school's internet system is now using fiber optics and allows the school to be part of the County-wide network.

Capital Assets

	2009	2008	Change
Leasehold improvements	\$ 261,202	225,045	36,157
Furniture, fixtures, and equipment	146,553	110,593	35,960
	\$ 407,755	335,638	72,117

Debt Administration

Below is a schedule of outstanding debt as of June 30, 2009 and 2008. See Note C to the financial statements for a detail of the changes during the year and specific debt provisions. During the year, the line of credit was paid down \$34,963. The Board opted to not renew the line of credit but instead voted to carry a line of credit through America's Charter School Finance Corporation. The 2009-2010 budget does include utilization of the line of credit.

Debt

	2009	2008	Change
Line of credit	\$ --	34,963	(34,963)

Economic Factors and Student Achievement

Knowing that enrollment growth is critical to the future viability of the school, the Board implemented the use of postcards to announce open houses throughout the spring. These open houses provided a cost-efficient manner in which the school can target potential new students and their parents, giving them the opportunity to tour the school and interview the teachers.

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SCHOOL BOARD OF SARASOTA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2009

(Unaudited)

Management is confident in its ability to increase enrollment based on overall student achievement. The school received a grade of "B" under the A+ accountability plan for Florida schools for the 2008-2009 school year, with an average class size of 22 students.

Requests for Information

This financial report is designed to provide a general overview of Student Leadership Academy of Venice, Inc.'s finances for those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Student Leadership Academy of Venice, Inc., 200 Field Avenue, Venice, Florida 34285.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

STATEMENT OF NET ASSETS
June 30, 2009

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash	\$ 281,387
Other current assets	<u>11,306</u>
Total current assets	292,693
Noncurrent assets	
Capital assets, net of accumulated depreciation	<u>407,755</u>
TOTAL ASSETS	<u>\$ 700,448</u>
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable	\$ 9,599
Accrued expenses	<u>147,401</u>
Total current liabilities	<u>157,000</u>
Net assets	
Investment in capital assets, net of related debt	407,755
Unrestricted	<u>135,693</u>
Total net assets	<u>543,448</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 700,448</u>

The notes to financial statements are an integral part of this statement.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

	Expenses	Program Revenue Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental activities			
Instruction	\$ 1,245,924	25,300	(1,220,624)
Pupil personnel services	35,949	--	(35,949)
Instructional media services	22,475	--	(22,475)
Instruction and curriculum development	8,141	--	(8,141)
Instructional staff training	6,577	--	(6,577)
General administration	109,991	--	(109,991)
School administration	387,700	--	(387,700)
Fiscal services	39,225	--	(39,225)
Food services	10,033	--	(10,033)
Pupil transportation services	118,965	--	(118,965)
Operation of plant	296,801	--	(296,801)
Maintenance of plant	35,202	--	(35,202)
Total expenses	\$ 2,316,983	25,300	(2,291,683)
General revenues			
Grants and contributions not restricted to specific programs			\$ 2,481,753
Miscellaneous revenue			14,917
Investment earnings			1,012
Total general revenues			2,497,682
Change in net assets			205,999
Net assets, July 1, 2008			337,449
Net assets, June 30, 2009			\$ 543,448

The notes to financial statements are an integral part of this statement.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

BALANCE SHEET - GENERAL FUND
June 30, 2009

ASSETS	
Cash	\$ 281,387
Other current assets	<u>11,306</u>
TOTAL ASSETS	<u>\$ 292,693</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 9,599
Accrued expenses	<u>147,401</u>
Total liabilities	<u>157,000</u>
Fund balance	
Undesignated	<u>135,693</u>
Total fund balance	<u>135,693</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 292,693</u>

The notes to financial statements are an integral part of this statement.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

RECONCILIATION OF THE BALANCE SHEET - GENERAL FUND
TO THE STATEMENT OF NET ASSETS

June 30, 2009

Total fund balance - Balance Sheet - General Fund	\$ 135,693
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Amounts reported in the Statement of Net Assets are different because

Capital assets used in governmental activities are not financial resources and, therefore, not reported in the General Fund	407,755
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Total net assets - Statement of Net Assets	\$ 543,448
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The notes to financial statements are an integral part of this statement.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND

For the Fiscal Year Ended June 30, 2009

Revenues	
Federal through local	\$ 25,300
State through local	1,774,525
Local	<u>723,157</u>
Total revenues	<u>2,522,982</u>
Expenditures	
Current	
Instruction	1,200,159
Pupil personnel services	35,949
Instructional media services	22,475
Instruction and curriculum development	8,141
Instructional staff training	6,577
General administration	109,991
School administration	382,615
Fiscal services	39,225
Food services	10,033
Pupil transportation services	118,965
Operation of plant	281,703
Maintenance of plant	35,202
Capital outlay	138,065
Debt service	
Principal	<u>34,963</u>
Total expenditures	<u>2,424,063</u>
Net change in fund balance	98,919
Fund balance, July 1, 2008	<u>36,774</u>
Fund balance, June 30, 2009	<u>\$ 135,693</u>

The notes to financial statements are an integral part of this statement.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

Net change in fund balance - Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund	\$	98,919
Amounts reported in the Statement of Activities are different because		
The General Fund reports 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 expenditures exceeded depreciation expense in the current period.		
Capital outlay expenditures	138,065	
Less: current depreciation	<u>(65,948)</u>	72,117
Repayment of principal is an expenditure in the General Fund, but the repayment reduces noncurrent liabilities in the statement of net assets.		<u>34,963</u>
Change in net assets - Statement of Activities	\$	<u><u>205,999</u></u>

The notes to financial statements are an integral part of this statement.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
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STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30, 2009

	<u>Agency Fund</u>
ASSETS	
Cash	\$ 5,515
TOTAL ASSETS	<u>\$ 5,515</u>
LIABILITIES	
Internal accounts payable	\$ 5,515
TOTAL LIABILITIES	<u>\$ 5,515</u>

The notes to financial statements are an integral part of this statement.

STUDENT LEADERSHIP
ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Student Leadership Academy of Venice, Inc. (Charter School) is a not-for-profit corporation that operates a middle school in Venice, Florida. The corporation was organized pursuant to the Florida Not-for-Profit Corporation Act, Chapter 617, Florida Statutes. The governing body of the Charter School is a not-for-profit corporation board of directors composed of five members.

The general operating authority of the Charter School is contained in Chapter 1002.33, Florida Statutes. The Charter School operates under a charter of the sponsoring school board, the School Board of Sarasota County, which is effective through June 30, 2009. Student Leadership Academy of Venice, Inc. is considered a component unit of the School Board of Sarasota County. Upon dissolution or termination of the charter, all of the property, furnishings, and equipment purchased with public funds, in part or in whole, automatically revert to the School Board of Sarasota County.

Criteria for determining if other entities are potential component units which should be reported within the Charter School's basic financial statements are described in GASB Statement No. 14. The application of these criteria provide for identification of any entities for which the Charter School is financially accountable and other organizations for which the nature and significance of their relationship with the Charter School are such that exclusion would cause the Charter School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Charter School.

Basis of Presentation: The basic financial statements of the Charter School have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments.

Government-Wide and Fund Financial Statements: The Charter School's basic financial statements include both government-wide (reporting on the Charter School as a whole) and fund financial statements. The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Charter School. The government-wide financial statements present governmental activities only. The Charter School has no business-type activities. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

STUDENT LEADERSHIP
ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
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NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the government-wide Statement of Net Assets, the Charter School recognizes all long-term assets and receivables as well as long-term debt and obligations. The Charter School's net assets are reported in three parts (as applicable): invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function (or segment) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The individual generic fund type in the Charter School's financial statements is a governmental fund. The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The only governmental fund utilized by the Charter School is the General Fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures. The General Fund is the general operating fund of the Charter School and is used to account for all of its non-fiduciary financial resources.

Additionally, the Charter School reports an Agency Fund which is a fiduciary fund type. This fund is used to account for resources of the school internal funds which are used in connection with school, student, class, and club activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the

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NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, Florida Education Finance Program revenue, and State Categorical revenue associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Charter School.

Cash: The Charter School's cash consists of deposits with financial institutions that are insured by Federal depository insurance. At June 30, 2009, the carrying amount of the Charter School's deposits was \$281,387, and the bank balances were \$275,730. At June 30, 2009, all cash balances of the Charter School were fully insured by Federal depository insurance.

Inter-fund Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as due to/from other funds.

Capital Assets: Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements and are not reported in the fund financial statements. Capital assets are defined by the Charter School as assets with an initial cost of more than \$750 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 7 to 39 years for leasehold improvements and 3 to 7 years for furniture, fixtures, and equipment.

Fund Equity: Reservations of fund balance represent amounts that are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net Assets: Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or

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NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

improvement of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations. All net assets not reported as net assets invested in capital assets, net of related debt and restricted net assets, are reported as unrestricted net assets.

When both restricted and unrestricted resources are available for use, it is the Charter School's policy to use the restricted resources first, then unrestricted resources as they are needed.

Budgetary Information: An annual budget was adopted for the General Fund on the modified accrual basis of accounting, as is used to account for the activity in the General Fund. Appropriations are controlled at the function level (e.g. instruction, school administration, operation of plant). All annual appropriations lapse at fiscal year end.

For the year ended June 30, 2009, overall expenditures exceeded appropriations in the amount of \$135,091. For the Instruction and Curriculum Development, General Administration, School Administration, Fiscal Services, Pupil Transportation Services, Operation of Plant, Maintenance of Plant, and Capital Outlay functions of the General Fund, expenditures exceeded appropriations in the amount of \$2,141, \$6,113, \$76,380, \$1,025, \$593, \$18,764, 22,263 and \$66,065, respectively. These excess expenditures were offset by a reduction in the budgeted excess of revenues over expenditures.

Revenue Sources: Revenues for current operations are received primarily from the School Board of Sarasota County pursuant to the funding provisions included in the Charter School's charter. In accordance with the funding provisions of the charter and Chapter 1002.33(17), Florida Statutes, the Charter School reports the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Chapter 1011.62, Florida Statutes, the School Board reports the number of full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the Charter School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the Charter School during the designated full-time equivalent student survey periods.

The Charter School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

STUDENT LEADERSHIP
ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B – CAPITAL ASSETS

Capital asset activity for fiscal year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, being depreciated					
Leasehold improvements	\$ 253,333	51,255	--	--	304,588
Furniture, fixtures, and equipment	246,097	86,810	--	--	332,907
Total capital assets being depreciated	<u>499,430</u>	<u>138,065</u>	<u>--</u>	<u>--</u>	<u>637,495</u>
Less accumulated depreciation for					
Leasehold improvements	28,288	15,098	--	--	43,386
Furniture, fixtures, and equipment	135,504	50,850	--	--	186,354
Total accumulated depreciation	<u>163,792</u>	<u>65,948</u>	<u>--</u>	<u>--</u>	<u>229,740</u>
Total capital assets being depreciated, net	<u>335,638</u>	<u>72,117</u>	<u>--</u>	<u>--</u>	<u>407,755</u>
Capital assets, net	<u>\$ 335,638</u>	<u>72,117</u>	<u>--</u>	<u>--</u>	<u>407,755</u>

Depreciation expense in the amount of \$65,948 for the year ended June 30, 2009, was allocated to the following governmental functions:

Instruction	\$ 45,765
School administration	5,085
Operation of plant	<u>15,098</u>
	<u>\$ 65,948</u>

STUDENT LEADERSHIP
ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE C – DEBT

Line of Credit: On June 30, 2004, the Charter School established an open-ended credit agreement with the Bank of Venice for a \$120,000 line of credit. The credit agreement matured annually on June 30 of each year, and has been renewed annually since inception. The Charter School paid off the line of credit during the current fiscal year, and elected to not extend the agreement past June 30, 2009. Interest was paid quarterly on the outstanding balance based on the daily prime rate published in the Wall Street Journal. A member on the Board of Directors of the Student Leadership Academy of Venice, Inc. had pledged various securities held in a First Clearing Corporation Account as collateral for the credit agreement.

Debt activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Line of credit	\$ 34,963	--	34,963	--	--
	<u>\$ 34,963</u>	<u>--</u>	<u>34,963</u>	<u>--</u>	<u>--</u>

NOTE D – SCHEDULE OF LOCAL REVENUE SOURCES

The following is a schedule of revenue sources and amounts:

Source	Amount
Federal grant - IDEA	\$ 25,300
State through local	
Florida Education Finance Program and Categorical Funds	
Base funding/Declining enrollment	1,205,268
Supplemental academic instruction	57,337
Reading instruction	10,745
Classroom for kids	270,232
Safe schools	7,427
Discretionary lottery	6,515
Instructional materials	24,848
School recognition funds	20,994
Charter school capital outlay funds	171,159
Local	
Discretionary local effort/Millage equalization	191,937
Voted Millage	332,071
Local capital outlay funds	164,220
Local grant	19,000
Investment earnings	1,012
Miscellaneous revenue	14,917
Total	<u>\$ 2,522,982</u>

STUDENT LEADERSHIP
ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE E – OPERATING LEASE

The Charter School entered into an eight-year operating lease for the building effective July 1, 2006. The total cost for such lease was \$144,000 for the year ended June 30, 2009. The future minimum lease payments for this lease are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2010	\$ 156,000
2011	168,000
2012	180,000
2013	192,000
2014	204,000

NOTE F – RISK MANAGEMENT PROGRAMS

The Charter School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees for which the Charter School has purchased commercial insurance. The Charter School has not had any reduction in insurance coverage and the amount of claims resulting from these risks has not exceeded insurance coverage.

NOTE G – RETIREMENT PLAN

Florida Retirement System: All part-time and full-time permanent employees of the Charter School are covered by the Florida Retirement System. The Florida Retirement System is a cost-sharing, multiple-employer, defined benefit retirement plan available to governmental units within the State of Florida. The plan was created by the Florida Legislature and is administered by the State of Florida, Department of Administration. The plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. Benefits in the plan vest at six years of service. The plan also includes an early retirement provision, but imposes a penalty for each year a member retires before his or her normal retirement date. The plan provides retirement, disability, and death benefits and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership. The Division of Retirement issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by writing to the Florida Retirement System, Division of Retirement, P. O. Box 9000, Tallahassee, Florida 32315-9000.

STUDENT LEADERSHIP
ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE G – RETIREMENT PLAN (CONTINUED)

The plan provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after they have met one of the following: (1) thirty years of service, regardless of age, or (2) age 62 and six years of service.

Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement. Benefits are computed on the basis of age, average final compensation, and service credit. Average final compensation is the average of the five highest years of earnings. The plan also provides death and disability benefits. Benefits are estimated by Florida Statutes and include cost of living adjustments.

The funding methods and the determination of benefits payable are provided in various acts of the Florida Legislature. These acts provide that employers, such as the Charter School, be required to contribute 9.85% of the compensation for regular members for the year ending June 30, 2009. There is no required contribution for plan members. The Charter School's contributions to the System for fiscal years ending June 30, 2009, 2008 and 2007, totaled \$108,000, \$89,000, and \$63,000, respectively, which was equal to the required contributions for each fiscal year.

NOTE H – SUBSEQUENT EVENT

The Academy has evaluated all subsequent events through October 22, 2009, the date the financial statements were available to be issued. The following matter was considered to have a material impact of the Academy's financial statements.

In July 2009, the Academy signed a commitment letter for a \$200,000 line of credit with Building Hope, A Charter School Facilities Fund through America's Charter School Finance Corporation. In the event that the line of credit is drawn upon, the Academy will be required to execute a note and reimbursement agreement. The purpose of the line of credit will be to cover operating and facility costs, and will be unsecured. Interest will be payable monthly at a rate of 7%.

REQUIRED SUPPLEMENTARY INFORMATION

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Fiscal Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Federal through local	\$ 18,000	25,300	25,300	--
State through local	1,547,176	1,762,069	1,774,525	12,456
Local	496,282	714,481	723,157	8,676
Total revenues	<u>2,061,458</u>	<u>2,501,850</u>	<u>2,522,982</u>	<u>21,132</u>
Expenditures				
Current				
Instruction	980,082	1,241,542	1,200,159	41,383
Pupil personnel services	24,059	44,059	35,949	8,110
Instructional media services	28,150	23,650	22,475	1,175
Instruction and curriculum development	5,000	6,000	8,141	(2,141)
Instructional staff training	5,000	9,500	6,577	2,923
General administration	96,573	103,878	109,991	(6,113)
School administration	210,450	306,235	382,615	(76,380)
Fiscal services	30,000	38,200	39,225	(1,025)
Food services	7,223	14,658	10,033	4,625
Pupil transportation services	59,585	118,372	118,965	(593)
Operation of plant	264,523	262,939	281,703	(18,764)
Maintenance of plant	27,323	12,939	35,202	(22,263)
Capital outlay	136,000	72,000	138,065	(66,065)
Debt service				
Principal	35,000	35,000	34,963	37
Interest	8,500	--	--	--
Total expenditures	<u>1,917,468</u>	<u>2,288,972</u>	<u>2,424,063</u>	<u>(135,091)</u>
Excess (deficiency) of revenues over expenditures	143,990	212,878	98,919	(113,959)
Fund balance, July 1, 2008	<u>36,774</u>	<u>36,774</u>	<u>36,774</u>	<u>--</u>
Fund balance, June 30, 2009	<u><u>\$ 180,764</u></u>	<u><u>249,652</u></u>	<u><u>135,693</u></u>	<u><u>(113,959)</u></u>

STUDENT LEADERSHP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE A – BUDGETARY INFORMATION

An annual budget was adopted for the General Fund on the modified accrual basis of accounting, as is used to account for the activity in the General Fund. Appropriations are controlled at the function level (e.g. instruction, school administration, operation of plant, etc.). All annual appropriations lapse at fiscal year end.

For the year ended June 30, 2009, overall expenditures exceeded appropriations in the amount of \$135,091. For the Instruction and Curriculum Development, General Administration, School Administration, Fiscal Services, Pupil Transportation Services, Operation of Plant, Maintenance of Plant and Capital Outlay functions of the General Fund, expenditures exceeded appropriations in the amount of \$2,141, \$6,113, \$76,380, \$1,025, \$593, \$18,764, 22,263 and \$66,065, respectively. These excess expenditures were offset by a reduction in the budgeted excess of revenues over expenditures.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND - AGENCY FUND
For the Fiscal Year Ended June 30, 2009

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2009</u>
ASSETS				
Cash	<u>\$ 5,677</u>	<u>47,159</u>	<u>47,321</u>	<u>5,515</u>
TOTAL ASSETS	<u>\$ 5,677</u>	<u>47,159</u>	<u>47,321</u>	<u>5,515</u>
LIABILITIES				
Internal accounts payable	<u>\$ 5,677</u>	<u>47,159</u>	<u>47,321</u>	<u>5,515</u>
TOTAL LIABILITIES	<u>\$ 5,677</u>	<u>47,159</u>	<u>47,321</u>	<u>5,515</u>

OTHER SUPPLEMENTARY INFORMATION



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

Board of Directors
Student Leadership Academy of Venice, Inc.
Venice, Florida

We have audited the financial statements of the governmental activities, General Fund, and remaining fund information of Student Leadership Academy of Venice, Inc. (the Academy) (a Charter School and component unit of the School Board of Sarasota, County, Florida) as of and for the year ended June 30, 2009, which collectively comprise Student Leadership Academy of Venice, Inc.'s basic financial statements and have issued our report thereon dated October 22, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Academy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Academy in a separate Management Letter dated October 22, 2009. Management's responses to the findings identified in the Management Letter were not audited and accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CPA Associates

Bradenton, Florida
October 22, 2009

STUDENT LEADERSHP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Audit Finding Number	Title/Program	Brief Description	Status	Comments
05-1	Budgetary Controls and Compliance	Expenditures exceeded appropriations for various reporting functions in the Budgetary Comparison Schedule for the General Fund. We recommended that budget amendments be made throughout the entire year to document the Board's authorization for the additional appropriation of funds.	Not corrected	See Current Year Finding 09-1.
06-1	Documentation	There was inadequate documentation in the personnel files to support the approved rate of pay for administrative employees and the Principal. We recommended that procedures be implemented to document the approved rate of pay for all employees.	Partially corrected	Documentation to support the rate of pay for administrative employees was included in the personnel files; however, no contract or other documentation has been initiated to support the principal's salary. See Current Year Finding 09-2.
08-1	Cash Disbursements	There were inadequate controls over the disbursement of funds from the Parent Council and Builders Club bank accounts. We recommended that procedures be implemented to require two signatures on the checks for these accounts.	Corrected	No exceptions were noted during the current audit.
08-2	Cash Receipts	There were inadequate controls over cash receipts for the Parent Council and Builders Club accounts. There was no documented evidence that cash collections were being controlled at the time of receipt by two individuals. We recommended that procedures be implemented requiring cash collections to be handled by two people, and that this process be documented by both individuals signing off on the cash collections that support the deposit.	Partially corrected	The Builders Club immediately implemented procedures in accordance with our recommendation; however, we noted that the Parent Council has not implemented such procedures. See Current Year Finding 09-3.



MANAGEMENT LETTER

Board of Directors
Student Leadership Academy of Venice, Inc.
Venice, Florida

We have audited the financial statements of Student Leadership Academy of Venice, Inc. as of and for the year ended June 30, 2009, and have issued our report thereon dated October 22, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, dated October 22, 2009, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of charter school audits performed in the State of Florida and require that certain items be addressed in this letter.

Section 10.854(1)(e)1., Rules of the Auditor General, requires a statement as to whether corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Matters required to be disclosed are reported in the Summary Schedule of Prior Audit Findings.

Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement as to whether or not the charter school has met one or more of the conditions described in Section 218.503(1), Florida Statutes regarding financial emergencies. In connection with our audit, we determined that the Charter School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter recommendations to improve financial management. Matters required to be disclosed and other recommendations are reported under the heading *Current Year Findings and Recommendations*.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we 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 our audit, we did not have any 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 our audit, we disclosed findings and recommendations under the heading *Current Year Findings and Recommendations*.

Section 10.854(1)(e)6., Rules of the Auditor General, requires the name or official title of the charter school to be disclosed in the management letter. Student Leadership Academy of Venice, Inc. is the official name of the charter school.

Section 10.854(1)(e)7., Rules of the Auditor General, requires that we apply financial condition assessment procedures. In connection with our audit, we applied the financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our 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 us to indicate that this letter is intended solely for the information and use of the Board of Directors and management, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

CPA Associates

Bradenton, Florida
October 22, 2009

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

(09-1) **Budgetary Controls and Compliance**

In accordance with Florida Statute 1002.33(9)(i), the governing board of the charter school shall annually adopt and maintain an operating budget. During the current audit, as in prior year audits, we noted several instances where expenditures exceed appropriations for various functions within the Budgetary Comparison Schedule for the General Fund. Additionally, overall expenditures exceeded appropriations for the General Fund in the amount of \$135,000. Although the Academy amended the budget during the year, budgeted amounts should be continually monitored and amended for changes in activities and financial results, and expenditures should not exceed amounts authorized by the Board.

Therefore, we again recommend that final budget amendments be made to obtain the Board's authorization for the additional appropriation of funds needed to cover expenditures.

(09-2) **Documentation**

As noted in the prior year, our current review disclosed there was inadequate documentation to support the approved rate of pay for the Principal. The Academy has approved annual contracts and other documentation to support the amounts paid all other employees; however, there is no such documentation to support the amount paid the Principal. Although we were able to verify the appropriateness of an annual increase in salary based on our review of the minutes, there was no documentation to support the amounts paid prior or subsequent to the approved increase. All compensation and changes made throughout the year to an employee's compensation arrangement should be documented, approved, and included within the employee's personnel file.

Therefore, we again recommend that the Charter School implement procedures to document the approved rate of pay for the Principal.

(09-3) Cash Receipts

As noted in the prior year, our current audit disclosed that controls over cash receipts needed improvement. The objective of internal control over cash receipts is to obtain control over amounts received at the time of receipt. To achieve this control, cash receipts should be handled by more than one person. Our review of cash receipts disclosed that there was no documented evidence that cash collections were being controlled at the time of receipt by two individuals for the Parent Council account.

Therefore, we again recommend that the Charter School mandate that all cash collections be handled by two people, and that procedures be implemented to document this process by having both individuals sign off on the cash collections that support the deposit.

(09-4) Financial Reporting

In accordance with the Charter Agreement with Sarasota County School Board, the Academy is to maintain all financial records which constitute their accounting system, in accordance with the accounts and codes as prescribed in the publication titled “Financial and Program Cost Accounting and Reporting for Florida Schools”, also known as the “Red Book”. Although the Academy has established and structured many of their accounts in accordance with the “Red Book”, it appears transactions are not always being classified and reported within these guidelines. We noted several instances where transactions were not being reported in the correct function (i.e. instruction, school administration, etc.) and reclassifying entries were necessary.

Therefore, we recommend personnel review the provisions of the “Red Book” to verify amounts are being classified and reported accurately.

Student Leadership Academy

Venice Island's One and ONLY

Charter Middle School

200 Field Avenue East Venice, FL 34285

October 27, 2009

Dear Board of Directors:

After reviewing the Independent Auditor's Management Letter, we have implemented the following procedures in response to the findings and recommendations:

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

(09-1) Budgetary Controls and Compliance

The school will make sure that a final budget amendment is done before the end of the fiscal year.

(09-2) Documentation

The school will make sure that a Personnel Action form is filled out by the board and signed, so as to document the rate of pay for the principal.

(09-3) Cash Receipts

The school has mandated that all cash collections are handled by two people and there is a procedure to document the process by having both individuals' signs off on the cash collections to support the deposit.

(09-4) Financial Reporting

The school will make sure that all accounts are classified and reported correctly in accordance with the "Red Book".

Sincerely,



Vickie Marble, Principal