

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

**FINANCIAL STATEMENTS**

**June 30, 2011**

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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 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, 2011, 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 Charter School's management. 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 the Charter School'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 remaining fund information of Student Leadership Academy of Venice, Inc. as of June 30, 2011, 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 28, 2011, on our consideration of the Charter School'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 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and budgetary comparison information on pages 3 through 8 and pages 26 and 27, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter School's financial statements as a whole. The other supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
October 28, 2011

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, 2011

(Unaudited)

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As management of the Student Leadership Academy of Venice, Inc., (the "Charter School") we offer readers of the financial statements this narrative overview and analysis of the financial activities of the Charter School for the fiscal year ended June 30, 2011.

Readers should review this Management's Discussion and Analysis (MD&A) in addition to the basic financial statements and the accompanying notes to the financial statements to gain an understanding of the Charter School as an operating entity.

### **Operating Entity**

The Student Leadership Academy of Venice, Inc. was incorporated as a not-for-profit corporation in 2004, operating a middle school (grades 6 and 7) during the 2004-2005 year and expanding to grade 8 in the 2005-2006 year. Total enrollment for the first, second, third, fourth, fifth, sixth and seventh years of the Charter School's operations averaged 153, 165, 226, 247, 279, 287 and 308, respectively. The target enrollment for the 2011-2012 year is 330.

The Charter School occupies a leased facility situated in an excellent location on the island in Venice, with County-operated athletic fields located across a 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 the Charter School'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 basic financial statements.

**Government-wide financial statements** are designed to provide readers with a broad overview of the Charter School'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 June 30, 2011, showing total assets of \$903,296 and total liabilities of \$165,503. The majority of the liabilities include compensation and benefits payable of \$160,841. Net assets of \$737,793 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 the Charter School 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, 2011  
(Unaudited)

**Condensed Statement of Net Assets**

	<u>Governmental Activities</u>		
	<u>2011</u>	<u>2010</u>	<u>Change</u>
Current and other assets	\$ 368,742	358,939	9,803
Capital assets	<u>534,554</u>	<u>476,366</u>	<u>58,188</u>
 Total assets	 <u>\$ 903,296</u>	 <u>835,305</u>	 <u>67,991</u>
Current liabilities	\$ 154,390	160,558	( 6,168)
Noncurrent liabilities	<u>11,113</u>	<u>--</u>	<u>11,113</u>
 Total liabilities	 <u>\$ 165,503</u>	 <u>160,558</u>	 <u>4,945</u>
 Invested in capital assets	 \$ 534,554	 476,366	 58,188
Unrestricted	<u>203,239</u>	<u>198,381</u>	<u>4,858</u>
 Total net assets	 <u>\$ 737,793</u>	 <u>674,747</u>	 <u>63,046</u>

The Charter School purchased an additional seven (7) active boards (smart boards) for \$29,143 to enhance learning, and completed \$82,590 in leasehold improvements for air conditioning units, carpet, a security system, and a portion of the Charter School's windows. These capital assets were paid for using cash on hand from the operating budget and millage funding from Sarasota County during the 2010-2011 year. In addition, the Charter School expects to be receiving \$134,000 in new millage funding from Sarasota County during the 2011-2012 year.

The Statement of Activities presents information showing how the Charter School's net assets increased by \$63,046. As noted in the schedule below, revenues and related expenses for instruction 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, 2011  
(Unaudited)

**Condensed Statement of Activities**

	<u>Governmental Activities</u>		<u>Change</u>
	<u>2011</u>	<u>2010</u>	
<b>Revenues</b>			
Program revenues			
Operating grants and contributions	\$ 1,000	--	1,000
General revenues			
Grants and contributions not restricted to specific programs	2,595,154	2,467,679	127,475
Miscellaneous revenue	22,884	17,397	5,487
Investment earnings	1,198	2,229	( 1,031)
Total revenues	<u>2,620,236</u>	<u>2,487,305</u>	<u>132,931</u>
<b>Expenses</b>			
Instruction	1,483,972	1,347,165	136,807
Pupil personnel services	46,272	56,730	( 10,458)
Instructional media services	34,307	26,597	7,710
Instruction and curriculum development	137	1,278	( 1,141)
Instructional staff training	5,333	1,493	3,840
Board	42,557	43,187	( 630)
General administration	89,504	104,353	( 14,849)
School administration	422,418	361,918	60,500
Fiscal services	18,075	16,977	1,098
Food services	10,104	9,795	309
Pupil transportation services	48,498	49,378	( 880)
Operation of plant	319,015	304,336	14,679
Maintenance of plant	36,998	32,799	4,199
Total expenses	<u>2,557,190</u>	<u>2,356,006</u>	<u>201,184</u>
Change in net assets	63,046	131,299	( 68,253)
Beginning net assets	<u>674,747</u>	<u>543,448</u>	<u>131,299</u>
Ending net assets	<u><u>\$ 737,793</u></u>	<u><u>674,747</u></u>	<u><u>63,046</u></u>

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

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, 2011

(Unaudited)

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**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. The Charter School, 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 the Charter School'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 the Charter School is the General Fund. The Charter School had a fund balance of \$214,352 in the General Fund as of June 30, 2011.

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

**Notes to the Basic 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 basic financial statements can be found on pages 16 through 25 of this report.

**General Fund Budget**

Last year, the Board closely monitored the Charter School's financial performance relative to the tentative budget on a monthly basis. The Board made formal budget amendments to approve changes as they monitored the bottom line for the overall financial effect on the Charter School. No significant individual budget amendment changes were made. For the 2011-2012 year, the Board will continue to monitor the changes at the state and county levels and make formal approved budget amendments as the financial environment changes.

The Board has approved an operating budget for the 2011-2012 academic year based on a student enrollment of 330 students. The budget demonstrates that the Charter School will have a budgeted surplus from operations of \$32,000 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, 2011

(Unaudited)

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**Capital Assets**

Below is a schedule of capital assets net of accumulated depreciation as of June 30, 2011 and 2010. See Note B to the financial statements for a detail of the changes during the year and related accumulated depreciation. Major additions during the year included a new server, seven active boards, and leasehold improvements replacing air conditioning units, carpet, a portion of the Charter School's windows, and a security camera system to enable the Charter School to monitor the building entrances for student safety.

**Capital Assets**

	<u>Governmental Activities</u>		
	<u>2011</u>	<u>2010</u>	<u>Change</u>
Leasehold improvements	\$ 401,512	344,236	57,276
Furniture, fixtures, and equipment	<u>133,042</u>	<u>132,130</u>	<u>912</u>
	<u>\$ 534,554</u>	<u>476,366</u>	<u>58,188</u>

**Debt Administration**

The Charter School had no outstanding debt as of June 30, 2011 and 2010. However, the Charter School has a \$200,000 available line of credit. See Note C to the financial statements for more details on the line of credit.

During the current year, the Charter School approved an annual leave policy providing all full-time employees six days of annual leave each fiscal year. Upon separation of employment from the Charter School, employees will receive 50% of the value of any remaining accrued annual leave up to a maximum of thirty (30) days. The Charter School reported a liability in the amount of \$11,113 at June 30, 2011 in accrued compensated absences. See Note D to the financial statements for more details on the accrued compensated absences.

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, 2011

(Unaudited)

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**Economic Factors and Student Achievement**

Knowing that enrollment growth and eventual stability is critical to the future viability of the Charter School, the Board continues to use postcards to announce open houses throughout the spring. These open houses provided a cost-efficient manner in which the Charter School can target potential new students and their parents, giving them the opportunity to tour the Charter School and interview the teachers. The Charter School also plans to advertise on the radio this November.

Management is confident in its ability to increase enrollment based on overall student achievement. The Charter School received a grade of "A" under the A+ accountability plan for Florida schools for the 2010-11 school year, with an average class size of 22 students. The Charter School was also awarded the designation of "High Performing Charter School" by the Florida Department of Education in July 2011, allowing the Charter School to only pay a 2% administrative fee on the first 250 students instead of a 5% administrative fee on the first 250 students.

**Requests for Information**

This financial report is designed to provide a general overview of the 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 the 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, 2011

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets	
Cash	\$ 355,254
Prepaid item	8,465
Other current assets	<u>5,023</u>
Total current assets	368,742
Noncurrent assets	
Capital assets, net of accumulated depreciation	<u>534,554</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 903,296</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
Current liabilities	
Accounts payable	\$ 2,872
Accrued expenses	<u>151,518</u>
Total current liabilities	<u>154,390</u>
Noncurrent liabilities	
Due within one year	1,500
Due in more than one year	<u>9,613</u>
Total noncurrent liabilities	<u>11,113</u>
Total liabilities	<u>165,503</u>
Net assets	
Investment in capital assets, net of related debt	534,554
Unrestricted	<u>203,239</u>
Total net assets	<u>737,793</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 903,296</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  
THE SCHOOL BOARD OF SARASOTA COUNTY

STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2011

	<u>Expenses</u>	<u>Program Revenue Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
Governmental activities			
Instruction	\$ 1,483,972	--	( 1,483,972)
Pupil personnel services	46,272	--	( 46,272)
Instructional media services	34,307	--	( 34,307)
Instruction and curriculum development	137	--	( 137)
Instructional staff training	5,333	--	( 5,333)
Board	42,557	--	( 42,557)
General administration	89,504	--	( 89,504)
School administration	422,418	--	( 422,418)
Fiscal services	18,075	--	( 18,075)
Food services	10,104	--	( 10,104)
Pupil transportation services	48,498	--	( 48,498)
Operation of plant	319,015	1,000	( 318,015)
Maintenance of plant	36,998	--	( 36,998)
Total governmental activities	<u>\$ 2,557,190</u>	<u>1,000</u>	( 2,556,190)
General revenues			
Grants and contributions not restricted to specific programs			2,595,154
Miscellaneous revenue			22,884
Investment earnings			<u>1,198</u>
Total general revenues			<u>2,619,236</u>
Change in net assets			63,046
Net assets, July 1, 2010			<u>674,747</u>
Net assets, June 30, 2011			<u>\$ 737,793</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

BALANCE SHEET - GENERAL FUND

June 30, 2011

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ASSETS

Cash	\$	355,254
Prepaid item		8,465
Other current assets		<u>5,023</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u><u>368,742</u></u></b>

LIABILITIES AND FUND BALANCE

Liabilities		
Accounts payable	\$	2,872
Accrued expenses		<u>151,518</u>
<b>Total liabilities</b>		<b><u>154,390</u></b>
Fund balance		
Nonspendable, prepaid item		8,465
Unassigned		<u>205,887</u>
<b>Total fund balance</b>		<b><u>214,352</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$</b>	<b><u><u>368,742</u></u></b>

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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

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

June 30, 2011

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Total fund balance, Balance Sheet, General Fund	\$	214,352
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, not reported in the General Fund.		534,554
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the General Fund.		
Compensated absences		<u>( 11,113)</u>
Net assets of governmental activities	\$	<u><u>737,793</u></u>

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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, 2011

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Revenues	
Federal through local	\$ 113,979
State through local	1,830,605
Local	<u>675,652</u>
Total revenues	<u>2,620,236</u>
Expenditures	
Current	
Instruction	1,429,609
Pupil personnel services	46,272
Instructional media services	34,307
Instruction and curriculum development	137
Instructional staff training	5,333
Board	42,557
General administration	89,504
School administration	413,860
Fiscal services	18,075
Food services	10,104
Pupil transportation services	48,498
Operation of plant	293,801
Maintenance of plant	36,998
Capital outlay	<u>135,210</u>
Total expenditures	<u>2,604,265</u>
Net change in fund balance	15,971
Fund balance, July 1, 2010	<u>198,381</u>
Fund balance, June 30, 2011	<u><u>\$ 214,352</u></u>

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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

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, 2011

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Net change in fund balance, Statement of Revenues, Expenditures and Changes in Fund Balance, General Fund	\$	15,971
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlays	135,210	
Less: current depreciation	<u>( 77,022)</u>	<u>58,188</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the General Fund. This is the change in compensated absences.		<u>( 11,113)</u>
Change in net assets of governmental activities		<u><u>\$ 63,046</u></u>

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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 FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUND

June 30, 2011

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	<u>Agency Fund</u>
ASSETS	
Cash	\$ 6,989
TOTAL ASSETS	<u>\$ 6,989</u>
LIABILITIES	
Due to others	\$ 6,989
TOTAL LIABILITIES	<u>\$ 6,989</u>

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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

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Student Leadership Academy of Venice, Inc. (the “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, 2024. The Charter School 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 Number 14, as amended by GASB Statement Number 39. 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 required to be 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  
THE SCHOOL BOARD OF SARASOTA COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS

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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, fund balance, 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. The agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of the results of operations. This fund is used to account for resources of the Charter School's 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. Agency funds are custodial in nature and do not present results of operations or have a measurement focus.

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

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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. When grant terms provide that the expenditure of resources is the determining factor for eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. 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.

Revenues for current operations received from the School Board of Sarasota County pursuant to funding provisions included in the Charter School's charter 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, 2011, the carrying amount of the Charter School's deposits was \$362,243 and the bank balances were \$356,238. At June 30, 2011, all cash balances of the Charter School were fully insured by Federal depository insurance.

Capital Assets: Capital assets, which include leasehold improvements and furniture, fixtures, 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity: Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net assets.”

*Fund Balance*: Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable*: Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- *Restricted*: Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Committed*: Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. Only the Board of Directors may modify or rescind the commitment.
- *Assigned*: Fund balances are reported as assigned when amounts are constrained by the Charter School’s intent to be used for specific purposes, but are neither restricted nor committed. Currently there is no one authorized to assign fund balances.
- *Unassigned*: Fund balances are reported as unassigned as the residual amount when balances do not meet any of the above criterion. The Charter School reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in other funds should the Charter School establish other funds at a later time.

*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 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Flow Assumptions:* When both restricted and unrestricted amounts of fund balance/net assets are available for use for expenditures/expenses incurred, it is the Charter School's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Charter School's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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 fund level. All annual appropriations lapse at fiscal year end.

For the year ended June 30, 2011, expenditures exceeded appropriations \$14,252 in the General Fund. These over-expenditures were funded by revenues in excess of 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.

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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE B – CAPITAL ASSETS

Capital asset activity for fiscal year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, being depreciated				
Leasehold improvements	\$ 408,033	82,490	--	490,523
Furniture, fixtures and equipment	367,507	52,720	--	420,227
Total capital assets being depreciated	<u>775,540</u>	<u>135,210</u>	<u>--</u>	<u>910,750</u>
Less accumulated depreciation				
Leasehold improvements	63,797	25,214	--	89,011
Furniture, fixtures and equipment	235,377	51,808	--	287,185
Total accumulated depreciation	<u>299,174</u>	<u>77,022</u>	<u>--</u>	<u>376,196</u>
Capital assets, net	<u>\$ 476,366</u>	<u>58,188</u>	<u>--</u>	<u>534,554</u>

Depreciation expense in the amount of \$77,022 for the year ended June 30, 2011, was allocated to the following governmental functions:

Instruction	\$ 46,627
School administration	5,181
Operation of plant	<u>25,214</u>
	<u>\$ 77,022</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE C – LINE OF CREDIT

Line of Credit: In July 15, 2009, the Charter School 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. As of June 30, 2011, the Charter School had not drawn down any funds on this line of credit. In the event that the line of credit is drawn upon, the Charter School will be required to execute a note and reimbursement agreement. The purpose of the line of credit is to cover operational shortfalls and facility-related costs, and will be unsecured. The interest rate on the line is 7% payable monthly. Subsequent to year-end, this line of credit was extended to July 15, 2012.

NOTE D – COMPENSATED ABSENCES

The Charter School provides all full-time employees six days of annual leave each fiscal year. During the current year the Charter School adopted an annual leave policy, that upon separation of employment from the Charter School, employees will receive payment for 50% of the value of any remaining unused accrued annual leave up to a maximum of thirty (30) days. The change in the liability during the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Compensated absences	\$ --	14,438	3,325	11,113	1,500
	<u>\$ --</u>	<u>14,438</u>	<u>3,325</u>	<u>11,113</u>	<u>1,500</u>

NOTE E – OPERATING LEASE

The Charter School entered into an eight year operating lease for the school building effective July 1, 2006. The total cost for such lease was \$168,000 for the year ended June 30, 2011. The future minimum lease payments for this lease are as follows:

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE F – SCHEDULE OF LOCAL REVENUE SOURCES

The following is a schedule of revenue sources and amounts:

Source	Amount
Federal through local	
Individuals with Disabilities Education Act grant funds	\$ 51,600
Education Jobs grant funds	61,174
Title II grant funds	1,205
Subtotal	113,979
State through local	
Base funding/declining enrollment	1,279,597
Supplemental academic instruction	63,283
Reading instruction	11,893
Classroom for Kids	281,282
Safe Schools	8,071
Discretionary lottery	1,097
Instructional materials	24,695
Charter school capital outlay funds	139,157
Florida recognition funds	21,530
Subtotal	1,830,605
Local	
Discretionary local effort/millage equalization	223,157
Voted referendum millage	298,338
Local capital outlay millage	129,075
Miscellaneous revenue	23,884
Investment earnings	1,198
Subtotal	675,652
Total revenues	\$ 2,620,236

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

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE G – 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 H – 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 Management Services. 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. 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.

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 and annual 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 10.77% of the compensation for regular members for the year ending June 30, 2011. There is no required contribution for plan members. The Charter School's contributions to the System for fiscal years ending June 30, 2011, 2010 and 2009, totaled \$131,000, \$118,000, and \$108,000, respectively, which was equal to the required contributions for each fiscal year.

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

NOTES TO BASIC FINANCIAL STATEMENTS

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NOTE I – SUBSEQUENT EVENT

The Charter School has evaluated all subsequent events through October 28, 2011, the date the financial statements were available to be issued. No subsequent events occurred which would have a material impact on the Charter School's financial statements.

**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, 2011

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Federal through local	\$ 72,000	112,805	113,979	1,174
State through local	1,825,656	1,830,691	1,830,605	( 86)
Local	<u>661,212</u>	<u>692,545</u>	<u>675,652</u>	<u>( 16,893)</u>
Total revenues	<u>2,558,868</u>	<u>2,636,041</u>	<u>2,620,236</u>	<u>( 15,805)</u>
<b>Expenditures</b>				
Current				
Instruction	1,329,082	1,406,995	1,429,609	( 22,614)
Pupil personnel services	55,093	53,873	46,272	7,601
Instructional media services	38,107	35,107	34,307	800
Instruction and curriculum development	5,500	--	137	( 137)
Instructional staff training	2,500	5,100	5,333	( 233)
Board	44,600	42,427	42,557	( 130)
General administration	108,567	108,567	89,504	19,063
School administration	384,671	405,801	413,860	( 8,059)
Fiscal services	18,050	18,050	18,075	( 25)
Food services	4,968	11,646	10,104	1,542
Pupil transportation services	50,168	47,590	48,498	( 908)
Operation of plant	288,493	275,379	293,801	( 18,422)
Maintenance of plant	26,993	45,978	36,998	8,980
Capital outlay	<u>123,500</u>	<u>133,500</u>	<u>135,210</u>	<u>( 1,710)</u>
Total expenditures	<u>2,480,292</u>	<u>2,590,013</u>	<u>2,604,265</u>	<u>( 14,252)</u>
Excess (deficiency) of revenues over (under) expenditures	78,576	46,028	15,971	( 30,057)
Fund balance, July 1, 2010	<u>198,381</u>	<u>198,381</u>	<u>198,381</u>	<u>--</u>
Fund balance, June 30, 2011	<u><u>\$ 276,957</u></u>	<u><u>244,409</u></u>	<u><u>214,352</u></u>	<u><u>( 30,057)</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

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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 fund level. All annual appropriations lapse at fiscal year-end.

For the year ended June 30, 2011, expenditures exceeded appropriations \$14,252 in the General Fund. These over-expenditures were funded by revenues in excess of expenditures.

**OTHER SUPPLEMENTARY INFORMATION**

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, 2011

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	<u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2011</u>
ASSETS				
Cash	<u>\$ 6,537</u>	<u>51,826</u>	<u>51,374</u>	<u>6,989</u>
TOTAL ASSETS	<u><u>\$ 6,537</u></u>	<u><u>51,826</u></u>	<u><u>51,374</u></u>	<u><u>6,989</u></u>
LIABILITIES				
Due to others	<u>\$ 6,537</u>	<u>51,826</u>	<u>51,374</u>	<u>6,989</u>
TOTAL LIABILITIES	<u><u>\$ 6,537</u></u>	<u><u>51,826</u></u>	<u><u>51,374</u></u>	<u><u>6,989</u></u>

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**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. (a Charter School and component unit of the School Board of Sarasota County, Florida) as of and for the year ended June 30, 2011, which collectively comprise Student Leadership Academy of Venice, Inc.'s basic financial statements and have issued our report thereon dated October 28, 2011. 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**

Management of the Charter School is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Charter School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control over financial reporting.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Charter School's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Charter School'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 a certain matter that we reported to management of the Charter School in the Management Letter dated October 28, 2011. The Charter School's response to the finding identified in the Management Letter is provided on page 34. We did not audit the Charter School's response and, accordingly, we express no opinion on it.

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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
October 28, 2011

## 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. (a Charter School and component unit of the School Board of Sarasota County, Florida) as of and for the year ended June 30, 2011, and have issued our report thereon dated October 28, 2011.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standard*, 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 28, 2011, 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 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:

- 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. No findings and recommendations were reported in the preceding annual financial audit report.
- Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the Charter School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. 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 are reported under the heading *Current Year Finding and Recommendation*.
- 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) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.854(1)(e)6., Rules of the Auditor General, requires the name or official title of the school to be disclosed in the management letter. Student Leadership Academy of Venice, Inc. is the official name of the school.
- Pursuant to Section 10.854(1)(e)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Charter School'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, 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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
October 28, 2011

## Current Year Finding and Recommendation

### 11-01 Budget

In accordance with Florida Statute 1002.33(9)(h), the governing body of the Charter School shall annually adopt and maintain an operating budget. Although the Charter School adopted and amended their budget several times throughout the fiscal year, the budget was not maintained for all changes in operating activity, thus resulting in expenditures exceeding appropriations for the General Fund in the amount of \$14,252.

The fundamental purpose of budgetary control is to plan beforehand and then maintain operations according to the plan. If properly monitored and maintained, budgets provide early identification of financial shortfalls and help ensure timely decisions are made. In addition, the budget serves as the Board's authorization to incur costs.

**We recommend that the Charter School continue to monitor the budget throughout the year. In addition, we recommend that budget amendments be prepared to cover budget deficits in the General Fund and to document the Board's authorization for such expenditures. The Board has up to sixty (60) days after year-end to amend the budget.**

# Student Leadership Academy

Venice Island's One and ONLY

Charter Middle School

200 Field Avenue East Venice, FL 34285

October 28, 2011

Dear Board of Directors:

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

## Management Response

### (11-1) Budget

Because of the school's increasing enrollment, I was directed by the Board to get a cost to add two new class rooms to the school. The money was not accounted for in the budget which included the architect's fees and expenses but they were Board approved. In the future, we will utilize the (60) day timeline after fiscal year end to make any necessary budget amendments so the overage will not happen again.

Sincerely,



Vickie Marble, Principal

Scholarship ~ Leadership ~ Service

(941) 485-5551 Phone (941) 485-2694 Fax Web Site – [www.studentleadershipacademy.org](http://www.studentleadershipacademy.org)