

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

FINANCIAL STATEMENTS

June 30, 2014

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the General Fund, and the remaining fund information of Student Leadership Academy of Venice, Inc., (the "Charter School") (a Charter School and component unit of the School Board of Sarasota County, Florida), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund and the remaining fund information of the Charter School as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and other required supplementary information on pages 4 through 9 and pages 27 and 28, 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.

Other Information

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2014, 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* in considering the Charter School's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
September 25, 2014

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

(Unaudited)

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, 2014.

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 Charter School was incorporated as a not-for-profit corporation in 2004. The Charter School operates under a charter of the sponsoring school board, the School Board of Sarasota County, Florida, serving grades 6-8.

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. The Charter School'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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

(Unaudited)

The Statement of Net Position presents information on all of the assets and liabilities as of June 30, 2014, showing total assets of \$1,060,240 and total liabilities of \$303,279. The majority of the liabilities include salaries and benefits payable in the amount of \$163,562 and an accrual of \$98,194 for the roof replacement in progress at year-end. Net position of \$756,961, is the difference between total assets and total liabilities. Over time, the increase or decrease in net position may serve as a useful indicator of whether the financial position of the Charter School is improving or deteriorating.

Condensed Statement of Net Position

	Governmental Activities		
	2014	2013	Change
Current and other assets	\$ 447,890	261,069	186,821
Capital assets	612,350	555,176	57,174
Total assets	<u>\$ 1,060,240</u>	<u>816,245</u>	<u>243,995</u>
Current liabilities	\$ 286,901	140,305	146,596
Noncurrent liabilities	16,378	13,709	2,669
Total liabilities	<u>\$ 303,279</u>	<u>154,014</u>	<u>149,265</u>
Net investment in capital assets	\$ 612,350	555,176	57,174
Restricted	100,000	1,332	98,668
Unrestricted	44,611	105,723	(61,112)
Total net position	<u>\$ 756,961</u>	<u>662,231</u>	<u>94,730</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

(Unaudited)

The Statement of Activities presents information showing how the Charter School's net position increased by \$94,730. As noted in the schedule below, revenues increased as a direct result of an increase in the base student allocation, additional state money for salaries and a contribution pledge of \$100,000 towards the roof replacement. Instruction and school administration expenses increased mainly due to salary increases and Operation of Plant expenses increased mainly due to an increase in rent.

Condensed Statement of Activities

	Governmental Activities		
	2014	2013	Change
Revenues			
Program revenues			
Capital grants and contributions	\$ 100,000	-	100,000
General revenues			
Grants and contributions not restricted to specific programs	2,616,836	2,416,972	199,864
Miscellaneous revenue	16,902	15,859	1,043
Interest earnings	207	368	(161)
Total revenues	<u>2,733,945</u>	<u>2,433,199</u>	<u>300,746</u>
Expenses			
Instruction	1,510,293	1,418,163	92,130
Pupil personnel services	89,891	74,744	15,147
Instructional media services	34,639	32,292	2,347
Instructional staff training	11,333	4,562	6,771
Board	17,757	16,400	1,357
General administration	35,983	34,202	1,781
School administration	411,397	392,489	18,908
Fiscal services	18,075	18,075	-
Food services	10,119	9,882	237
Pupil transportation services	56,423	68,134	(11,711)
Operation of plant	394,528	377,456	17,072
Maintenance of plant	48,777	46,656	2,121
Total expenses	<u>2,639,215</u>	<u>2,493,055</u>	<u>146,160</u>
Change in net position	94,730	(59,856)	154,586
Beginning net position	<u>662,231</u>	<u>722,087</u>	<u>(59,856)</u>
Ending net position	<u>\$ 756,961</u>	<u>662,231</u>	<u>94,730</u>

The government-wide financial statements can be found on pages 10 and 11 of this report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

(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. 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, the 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 Charter School'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 \$160,989 in the General Fund as of June 30, 2014. Fund balance increased \$40,225 during the year due to the \$100,000 contribution pledge.

The General Fund financial statements can be found on pages 12 and 14 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 17 through 26 of this report.

General Fund Budget

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. The Board approved budget amendments to reflect a small increase in enrollment from the originally expected enrollment and the increased costs of various functions. At year-end, expenditures exceeded appropriations by \$2,534.

The Board has approved an operating budget for the 2014-2015 academic year based on a student enrollment of 300 students. The budget demonstrates that the Charter School will have a budgeted surplus from operations of approximately \$148,218 which will be available for future spending.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

(Unaudited)

Capital Assets

Below is a schedule of capital assets net of accumulated depreciation as of June 30, 2014 and 2013.

Capital Assets

	Governmental Activities		Change
	2014	2013	
Construction in progress	\$ 98,194	-	98,194
Leasehold improvements	446,731	479,838	(33,107)
Furniture, fixtures and equipment	67,425	75,338	(7,913)
	<u>\$ 612,350</u>	<u>555,176</u>	<u>57,174</u>

During the year, the Charter school purchased several computers. Also at year-end, the Charter School was in the process of replacing the roof. There were no disposals during the current period.

See Note B to the financial statements for a detail of the capital asset activity for the year.

Debt Administration

The Charter School had no outstanding debt as of June 30, 2014 and 2013. 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.

The Charter School has 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 \$16,378 and \$13,709 at June 30, 2014 and 2013, respectively, for accrued compensated absences. See Note D to the financial statements for more details on the change in the liability for the year.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

(Unaudited)

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.

Recognizing the increased competition in the geographical area, management reduced the 2014-2015 budget to 300 students and reduced staff by two positions until the prior student count is achieved. The Charter School received a grade of "A" under the A+ accountability plan for Florida schools for the 2013-2014 school year, with an average class size of 20 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. The Charter School maintained the standards during the 2013-2014 fiscal year to continue the "High Performing Charter School" designation.

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, FLORIDA

STATEMENT OF NET POSITION

June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash	\$ 270,594
Pledge receivable	100,000
Due from school district	62,106
Prepaid items	14,590
Other current asset	600
Total current assets	<u>447,890</u>
Noncurrent assets	
Capital assets not being depreciated	98,194
Capital assets, net of accumulated depreciation	<u>514,156</u>
TOTAL ASSETS	<u><u>\$ 1,060,240</u></u>
LIABILITIES AND NET POSITION	
Current liabilities	
Accounts payable	\$ 123,339
Accrued expenses	<u>163,562</u>
Total current liabilities	<u>286,901</u>
Noncurrent liabilities	
Due within one year	2,000
Due in more than one year	<u>14,378</u>
Total noncurrent liabilities	<u>16,378</u>
Total liabilities	<u>303,279</u>
Net position	
Net investment in capital assets	514,156
Restricted	
Roof replacement	100,000
Unrestricted	<u>142,805</u>
Total net position	<u>756,961</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,060,240</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, FLORIDA

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

		Program Revenue			Net (Expense)
		Charges for	Operating	Capital	Revenue and
	Expenses	Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
Governmental activities					
Instruction	\$ 1,510,293	-	-	-	(1,510,293)
Pupil personnel services	89,891	-	-	-	(89,891)
Instructional media services	34,639	-	-	-	(34,639)
Instructional staff training	11,333	-	-	-	(11,333)
Board	17,757	-	-	-	(17,757)
General administration	35,983	-	-	-	(35,983)
School administration	411,397	-	-	-	(411,397)
Facilities, acquisition and construction	-	-	-	100,000	100,000
Fiscal services	18,075	-	-	-	(18,075)
Food services	10,119	-	-	-	(10,119)
Pupil transportation services	56,423	-	-	-	(56,423)
Operation of plant	394,528	-	-	-	(394,528)
Maintenance of plant	48,777	-	-	-	(48,777)
Total governmental activities	<u>\$ 2,639,215</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>(2,539,215)</u>
General revenues					
Grants and contributions not restricted to specific programs					2,616,836
Miscellaneous revenue					16,902
Investment earnings					207
Total general revenues					<u>2,633,945</u>
Change in net position					94,730
Net position, July 1, 2013					<u>662,231</u>
Net position, June 30, 2014					<u>\$ 756,961</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, FLORIDA

BALANCE SHEET—GENERAL FUND
June 30, 2014

ASSETS	
Cash	\$ 270,594
Pledge receivable	100,000
Due from school district	62,106
Prepaid items	14,590
Other current asset	<u>600</u>
TOTAL ASSETS	<u>\$ 447,890</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 123,339
Accrued expenses	<u>163,562</u>
Total liabilities	<u>286,901</u>
Fund balance	
Nonspendable, prepaid items	14,590
Restricted	
Roof replacement	100,000
Unassigned	<u>46,399</u>
Total fund balance	<u>160,989</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 447,890</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, FLORIDA

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

June 30, 2014

Fund balance, General Fund	\$ 160,989
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the General Fund.	612,350
Noncurrent liabilities are not due and payable in the current period and, therefore, not reported in the General Fund.	
Compensated absences	<u>(16,378)</u>
Net position of governmental activities	<u><u>\$ 756,961</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, FLORIDA

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

For the Fiscal Year Ended June 30, 2014

Revenues	
Federal through local	\$ 14,005
State through local	1,964,308
Local	<u>755,632</u>
Total revenues	<u>2,733,945</u>
Expenditures	
Current	
Instruction	1,478,902
Pupil personnel services	89,891
Instructional media services	34,639
Instructional staff training	11,333
Board	17,757
General administration	35,983
School administration	407,316
Fiscal services	18,075
Food services	10,119
Pupil transportation services	56,423
Operation of plant	360,010
Maintenance of plant	48,777
Capital outlay	<u>124,495</u>
Total expenditures	<u>2,693,720</u>
Net change in fund balance	40,225
Fund balance, July 1, 2013	<u>120,764</u>
Fund balance, June 30, 2014	<u><u>\$ 160,989</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, FLORIDA

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, 2014

Net change in fund balance—Statement of Revenues, Expenditures and Changes in Fund Balance—General Fund	\$ 40,225
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Amounts reported for governmental activities 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 and reported
as depreciation expense. This is the amount by which capital outlay
expenditures exceeded depreciation expense in the current period.

Capital outlays	\$ 124,495	
Less current depreciation	<u>(67,321)</u>	<u>57,174</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 the compensated
absences liability.

(2,669)

Change in net position of governmental activities	<u><u>\$ 94,730</u></u>
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STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND

June 30, 2014

	<u>Agency Fund</u>
ASSETS	
Cash	<u>\$ 6,616</u>
TOTAL ASSETS	<u><u>\$ 6,616</u></u>
LIABILITIES	
Due to clubs	<u>\$ 6,616</u>
TOTAL LIABILITIES	<u><u>\$ 6,616</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, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

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, Florida, which is effective through June 30, 2024. The Charter School is considered a component unit of the School Board of Sarasota County, Florida. 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, Florida.

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 Position 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.

In the government-wide Statement of Net Position, the Charter School recognizes all long-term assets and receivables as well as long-term debt and obligations. The Charter School's net position is reported in three parts (as applicable): (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position.

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 account 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. 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 also reported using the accrual basis of accounting. Agency funds are custodial in nature and do not present results of operations or have a measurement focus.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, Florida, 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, 2014, the carrying amount of the Charter School's deposits was \$277,210 and bank balances were \$278,887. At June 30, 2014, 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 the 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 15 years for leasehold improvements and 3 to 7 years for furniture, fixtures and equipment.

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 position."

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.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund balances are classified as follows:

- *Nonspendable:* Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (1) not in spendable form (i.e., items that are not expected to be converted to cash), or (2) 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 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 a positive unassigned fund balance.

Net Position: Net position represents the difference between assets and liabilities. Net investment in capital assets 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 investment in capital assets excludes unspent debt proceeds. Net position is 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. Net position not reported as net investment in capital assets or restricted net position, is reported as unrestricted net position.

Flow Assumptions: When both restricted and unrestricted amounts of fund balance/net position 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

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Expenditures exceeded appropriations in the General Fund in the amount of \$2,534. Revenues in excess of budget in the amount of \$75,520 were used to offset these excess expenditures.

Revenue Sources: Revenues for current operations are received primarily from the School Board of Sarasota County, Florida 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.
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THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE B – CAPITAL ASSETS

Capital asset activity for fiscal year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Construction in progress	\$ -	98,194	-	98,194
Total capital assets not being depreciated	-	98,194	-	98,194
Capital assets, being depreciated				
Leasehold improvements	629,661	-	-	629,661
Furniture, fixtures and equipment	453,496	26,301	-	479,797
Total capital assets being depreciated	1,083,157	26,301	-	1,109,458
Less accumulated depreciation				
Leasehold improvements	149,823	33,107	-	182,930
Furniture, fixtures and equipment	378,158	34,214	-	412,372
Total accumulated depreciation	527,981	67,321	-	595,302
Total capital assets being depreciated, net	555,176	(41,020)	-	514,156
Capital assets, net	\$ 555,176	57,174	-	612,350

Depreciation expense in the amount of \$67,321 for the year ended June 30, 2014, was allocated to the following governmental functions:

Instruction	\$ 29,523
School administration	3,280
Operation of plant	34,518
	<u>\$ 67,321</u>

NOTE C – LINE OF CREDIT

Line of Credit: On 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, 2014, 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 would 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 is unsecured. The interest rate on the line is 7% payable monthly. Subsequent to year-end, this line of credit was extended to July 15, 2015.

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

NOTE D – COMPENSATED ABSENCES

The Charter School has 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 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 fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Compensated absences	<u>\$ 13,709</u>	<u>4,883</u>	<u>2,214</u>	<u>16,378</u>	<u>2,000</u>
	<u><u>\$ 13,709</u></u>	<u><u>4,883</u></u>	<u><u>2,214</u></u>	<u><u>16,378</u></u>	<u><u>2,000</u></u>

NOTE E – OPERATING LEASE

The Charter School entered into an eight year operating lease for the school building effective July 1, 2006. The rent expense was \$204,000 for the year ended June 30, 2014. On July 1, 2013, the lease agreement was extended to June 30, 2019. Future minimum lease payments for this lease are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2015	\$ 210,000
2016	216,000
2017	222,000
2018	228,000
2019	234,000

On June 21, 2014, the lessor pledged \$100,000 for a new roof for the school building. The Charter School received \$30,000 of the pledge in July 2014. The remaining pledge of \$70,000 will be received through a reduction in rent. The above minimum lease payments will be reduced \$30,000 for fiscal years 2015 and 2016, and will be reduced \$10,000 for fiscal year 2017.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
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NOTES TO BASIC FINANCIAL STATEMENTS

NOTE F – SCHEDULE OF REVENUE SOURCES

The following is a schedule of revenue sources and amounts:

Source	Amount
Federal through local	
Individuals with Disabilities Education Act grant funds	\$ 13,000
Title II grant funds	1,005
Subtotal	<u>14,005</u>
State through local	
Base funding/declining enrollment	1,336,631
Supplemental academic instruction	63,835
Reading instruction	15,163
Classroom for Kids	284,342
Safe Schools	7,860
Instructional materials	24,710
Lottery funds	3
Charter school capital outlay	148,895
Florida teacher lead program	5,496
Florida school recognition funds	31,450
Teacher salary allocation	45,923
Subtotal	<u>1,964,308</u>
Local	
Discretionary local effort/millage equalization	218,537
Voted referendum millage	292,161
Local capital outlay millage	127,317
Contributions	100,000
Miscellaneous revenue	16,902
Transportation	508
Interest earnings	207
Subtotal	<u>755,632</u>
Total revenues	<u>\$ 2,733,945</u>

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 for the last three fiscal years.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
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NOTES TO BASIC FINANCIAL STATEMENTS

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.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. Employees enrolled in the Plan prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. Employees enrolled in the Plan on or after July 1, 2011, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before the normal retirement date.

Benefits are computed on the basis of age, average final compensation (AFC), and service credit. For employees enrolled in the Plan prior to July 1, 2011, AFC is the average of the five highest years of earnings. For employees enrolled in the Plan on or after July 1, 2011, AFC is the average of the eight 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 6.95% of the compensation for regular members for the year ending June 30, 2014. Plan members are required to contribute 3% of compensation. The Charter School's contributions to the System for fiscal years ending June 30, 2014, 2013, and 2012 were approximately \$97,800, \$66,600, and \$64,500, respectively, which was equal to the required contributions for each fiscal year. Employee contributions for fiscal years ending June 30, 2014, 2013, and 2012 were \$41,200, \$37,600, and \$38,500, respectively.

NOTE I – COMMITMENTS

At year-end, the Charter School had contracted to replace the roof in the amount of \$318,980 of which \$98,194 has been recognized in the financial statements as of June 30, 2014.

STUDENT LEADERSHIP ACADEMY OF VENICE, INC.
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NOTES TO BASIC FINANCIAL STATEMENTS

NOTE J – SUBSEQUENT EVENT

The Charter School has evaluated all subsequent events through September 25, 2014, the date the financial statements were available to be issued.

Promissory Note: On September 12, 2014, the Charter School borrowed \$200,000 pursuant to a promissory note with Building Hope, A Charter School Facilities Fund, to provide funding for the roof replacement. The annual interest rate on the note is 6%. Monthly principal and interest payments start October 1, 2014, with final maturity September 1, 2017. The loan is secured by an assignment of the Charter School's leasehold interest in the building and a first lien on all of the assets of the Charter School.

REQUIRED SUPPLEMENTARY INFORMATION

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

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

For the Fiscal Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Federal through local	\$ -	14,005	14,005	-
State through local	1,859,795	1,958,812	1,964,308	5,496
Local	652,878	685,608	755,632	70,024
Total revenues	<u>2,512,673</u>	<u>2,658,425</u>	<u>2,733,945</u>	<u>75,520</u>
Expenditures				
Current				
Instruction	1,379,172	1,471,769	1,478,902	(7,133)
Pupil personnel services	81,956	91,239	89,891	1,348
Instructional media services	35,446	33,131	34,639	(1,508)
Instruction and curriculum development	3,200	4,200	-	4,200
Instructional staff training	6,000	8,000	11,333	(3,333)
Board	16,400	16,400	17,757	(1,357)
General administration	34,368	35,983	35,983	-
School administration	365,098	406,631	407,316	(685)
Fiscal services	18,050	18,000	18,075	(75)
Food services	13,964	11,252	10,119	1,133
Pupil transportation services	70,162	56,483	56,423	60
Operation of plant	358,197	367,192	360,010	7,182
Maintenance of plant	66,077	46,347	48,777	(2,430)
Capital outlay	500	124,559	124,495	64
Total expenditures	<u>2,448,590</u>	<u>2,691,186</u>	<u>2,693,720</u>	<u>(2,534)</u>
Net change in fund balance	64,083	(32,761)	40,225	72,986
Fund balance, July 1, 2013	<u>120,764</u>	<u>120,764</u>	<u>120,764</u>	<u>-</u>
Fund balance, June 30, 2014	<u>\$ 184,847</u>	<u>88,003</u>	<u>160,989</u>	<u>72,986</u>

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

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

Expenditures exceeded appropriations in the General Fund in the amount of \$2,534. Revenues in excess of budget in the amount of \$75,520 were used to offset these excess expenditures.

OTHER SUPPLEMENTARY INFORMATION

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND—AGENCY FUND
For the Fiscal Year Ended June 30, 2014

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
ASSETS				
Cash	<u>\$ 8,478</u>	<u>11,155</u>	<u>13,017</u>	<u>6,616</u>
TOTAL ASSETS	<u><u>\$ 8,478</u></u>	<u><u>11,155</u></u>	<u><u>13,017</u></u>	<u><u>6,616</u></u>
LIABILITIES				
Due to clubs	<u>\$ 8,478</u>	<u>11,155</u>	<u>13,017</u>	<u>6,616</u>
TOTAL LIABILITIES	<u><u>\$ 8,478</u></u>	<u><u>11,155</u></u>	<u><u>13,017</u></u>	<u><u>6,616</u></u>

**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***

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

We have audited, 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, the financial statements of the governmental activities, the General Fund, and the remaining fund information of Student Leadership Academy of Venice, Inc. (the "Charter School") (a Charter School and component unit of the School Board of Sarasota County, Florida), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated September 25, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Charter School's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
September 25, 2014

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Student Leadership Academy of Venice, Inc. (the "Charter School") (a Charter School and component unit of the School Board of Sarasota County, Florida), as of and for the fiscal year ended June 30, 2014, and have issued our report thereon dated September 25, 2014.

Auditor's Responsibility

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.

Other Reporting Required by *Government Auditing Standards*

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 September 25, 2014, should be considered in conjunction with this management letter.

Prior Audit Findings

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. There were no audit findings in the prior year annual financial audit report.

Financial Condition

Section 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, requires that we apply appropriate procedures to determine 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.

Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for the Charter School. 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 the same.

Transparency

Sections 10.854(e)7 and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine whether the Charter School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, as reported in Finding 2014-01, we determined that the Charter School did not maintain all of the required information specified in Section 1002.33(9)(p).

Other Matters

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Student Leadership Academy of Venice, Inc.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the School Board of Sarasota County, Florida, and is not intended to be and should not be used by anyone other than these specific parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
September 25, 2014

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

SCHEDULE OF FINDINGS
For the Year Ended June 30, 2014

2014-01 Transparency

Criteria: In accordance with Florida Statute 1002.33(9)(p), each charter school shall maintain a website that enables the public to obtain information regarding the school; the school's academic performance; the names of the governing board members; the programs at the school; any management companies, service providers, or education management corporations associated with the school; the school's annual budget and its annual independent fiscal audit; the school's grade; and, on a quarterly basis, the minutes of governing board meetings.

Condition: During our audit, we noted that the Charter School's website did not contain all of the required information as required by Florida Statute 1002.33(9)(p). Although the Charter School's website met many of the requirements required by statute, no information was provided for quarterly board minutes, the annual budget, and the annual independent fiscal audit.

Cause: The Charter School was in the process of changing their website design to accommodate this additional information.

Effect or Potential Effect: The general public is withheld from obtaining information about the Charter School, its activities, and how public funds are being used. Transparency ensures accountability.

Recommendation: We recommend that the website be updated as soon as possible to include the information required by Florida Statute to provide transparency to the general public regarding the operations of the Charter School.

Management's Response: The prior website was outdated and the Charter School was unable to put all of the required information on the site. The Charter School has since launched a brand new website which is now conducive to put all of the required documentation on the site. The Charter School is currently in the process of adding all of the required documentation.