

# LARCHMONT SCHOOLS

## Regular Meeting of the Board of Directors

January 14th – 6:30 PM

Larchmont Charter School at La Fayette Park Place

Assembly Room

2801 W. 6<sup>th</sup> St. Los Angeles, CA 90057

## AGENDA

*The mission of Larchmont Schools is to provide a socio-economically, culturally and racially diverse community of students with an exceptional public education. We foster creativity and academic excellence; our students learn with and from each other in an experience-centered, inquiry-based learning environment. With participation from our entire community, we strive to instill in each student a dedication to improving the world we inhabit.*

- I. Call to Order – Alicia Lara, Chair
- II. Public Comments (Members of the public may choose to speak here or immediately preceding an agenda item for which there is an action item)
- III. Approve Minutes from the December 3, 2013 Meeting (Action Item)
- IV. New Board Member Elections (Action Item)
  - Olympia Ammon
  - Ali Baird
  - Bea Hsu
  - Rachel Rogers
- V. New Board Member Nominations (Action Item)
  - Lindsay Sturman
  - Alan Dunn
- VI. School Leader Updates-Kristin Droege Head of K-8 and Catherine Belcher Head of 9-12
- VII. Approve 12-13 Audit Report (Action Item)

- VIII. 2014/2015 School Start Date Update
- IX. Communications Update
- X. Lottery and Recruitment Update
- XI. Family Engagement and Volunteer Plan Review
- XII. Pledge Drive Update
- XIII. Academic Excellence Update
- XIV. Facilities Update
- XV. Delegation of Authority to Execute Alternate Agreement with LAUSD. Prop 39 Resolution (Action Item)
- XVI. Executive Director Updates & Comments
- XVII. Board Chair Comments
- XVIII. **New Business**
- XIX. **Closing**

**THE ORDER OF BUSINESS MAY BE CHANGED WITHOUT NOTICE**

Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice.

**REASONABLE LIMITATIONS MAY BE PLACED ON PUBLIC TESTIMONY**

The Governing Board's presiding officer reserves the right to impose reasonable time limits on public testimony to ensure that the agenda is completed.

**SPECIAL PRESENTATIONS MAY BE MADE**

Notice is hereby given that, consistent with the requirements of the Bagley-Keene Open Meeting Act, special presentations not mentioned in the agenda may be made at this meeting. However, any such presentation will be for information only.

**REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY**

Pursuant to the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting may request assistance.

**FOR MORE INFORMATION**

Larchmont Schools, 444 N. Larchmont Blvd. #207, Los Angeles, CA 90004; telephone, 323-380-7893  
[www.larchmontcharter.org](http://www.larchmontcharter.org)

## **OLYMPIA AMMON, MBA**

1082 S POINT VIEW STREET | LOS ANGELES, CA 90035

713.410.4906 | [olyammon@yahoo.com](mailto:olyammon@yahoo.com)

### ***PROFILE***

Professional development leader with over 15 years of work experience (including 10 years in nonprofit fundraising). Energetic, self-motivated MBA with a collaborative, positive outlook, and leadership skills empowering organizations, teams, and donors to reach their highest potential.

### ***CORE COMPETENCIES***

- Fundraising
- Strategic Planning & Business Strategy
- Talent Development & Management
- Presentation Skills/Writing
- Relationship Building
- Fundraising Systems and Processes
- Nonprofit Boards
- Fluent in Spanish

### ***PROFESSIONAL EXPERIENCE***

**Cedars-Sinai Medical Center, Los Angeles, CA**

2011 – present

#### **Associate Director, Development (Health System Manager)**

- Promoted to manage additional senior development officers, support staff, and medical areas.
- Assist with the overall management of the Academic Institutes major and principal gifts team.
- Create and implement fundraising strategy for Surgery, Transplantation, and Pediatric IBD in addition to all former duties and areas.

#### **Principal Gifts Officer – Samuel Oschin Comprehensive Cancer Institute**

- Directly manage high level portfolio of major and principal gifts donors and prospects for strategic pillar of ~1,000 bed high patient volume hospital.
- Surpassed fundraising goal of \$10 million for FY12; resulting in an over 300% increase over FY11.
- Liaise with 35 physicians and all scientists in cancer institute.
- Complete strategic special projects for Chief Development Officer—Academic Institutes.
- Serve as key senior member of larger multi-institute fundraising matrix.

**American Heart Association - SouthWest Affiliate, Houston, TX**

2008 – 2011

#### **Senior Vice President – Major Gifts & Foundation Relations**

- Created and implemented affiliate major gifts strategy for six states.
- Raised \$5.8 million cumulatively in three years, including the first two seven-figure gifts ever received by the affiliate (\$1.2 million and \$3.5 million).
- Met 232% of cumulative fundraising goal; fundraising target for same period was \$2.5 million.
- Built trust and relationships with AHA volunteers, board members, and donors to drive revenue for selected restricted and unrestricted funding opportunities.
- Supported affiliate EVP on confidential special projects and high-level strategic initiatives.
- Presented major gifts strategy and updates to affiliate board and attended all affiliate board meetings.
- Initiated, maintained, and stewarded relationships with 200+ major gifts donors and prospects.
- Advised event staff throughout affiliate on annual giving and major gift strategy.

**Teach For America, Los Angeles, CA**

2006 - 2008

#### **Senior Managing Director - Development**

- Responsible for all fundraising for the second largest region of Teach For America, totaling \$6 million for FY08 from public, individual, corporate, and foundation funding streams.

- Represented Teach For America to an overall portfolio of over 600 corporations, foundations, public agencies, and individual donors and prospects.
- Created and executed strategies for engaging the local Board of Advisors and Emeritus Board.
- Implemented rigorous new systems, including prospect research, portfolio management, donor stewardship and communications, gift processing and tracking, comprehensive fundraising forecasting, team building and professional development plans, and administrative toolkits.
- Created first ever strategic fundraising plan for the region.
- Managed a team of three fundraisers.

**Rice University, Houston, TX**

2003 – 2006

**Director of Development – Undergraduates & University Special Projects**

- Raised funds for presidential priority capital projects and undergraduate dean priorities.
- Promoted after almost two years in athletic development to broader role on campus in addition to continued oversight of athletics fundraising.

**Associate Athletic Director for Development**

- Raised over \$2.5 million annually in individual gifts to Rice athletics. Responsible for Rice athletics' annual fund and booster organization as well as \$29 million scholarship endowment.
- Created and executed annual strategic business plans, including redesign of all marketing collateral, benefits, giving levels, and hospitality for the annual fund, resulting in increased year-over-year giving by 21% and 25% in FY05 and FY06, respectively.
- Managed team of four professionals and two interns.
- Promoted after one year in corporate fundraising to more advanced management position responsible for both annual and major/principal gifts for Rice University athletics.

**Director of Corporate Relations**

- Identified, cultivated, solicited and stewarded over \$10.5 million annually in corporate gifts to all schools and institutes at the University.
- Managed a portfolio of 75 companies and increased corporate giving by 25% over prior year.

***EDUCATION***

**Masters of Business Administration, General Business**

**Rice University, Houston, TX, 1999**

**Bachelor of Science, *magna cum laude*, Human & Organizational Development**

**Vanderbilt University, Nashville, TN, 1996**

***COMMUNITY INVOLVEMENT***

- The ACME Network, Board Member (Secretary), 2012 - current
- Mealtime Mates Volunteer, Cedars-Sinai Medical Center, 2012 - current
- Instructor, EMBA and MBA for Professionals Capstone Course, Jones Graduate School of Business, Rice University, 2011
- Vanderbilt Alumni Board, 2006 –2010 and Peabody College Alumni Board (Past President)

***ADDITIONAL PROFESSIONAL EXPERIENCE***

Saint Arnold Brewing Company, Houston, TX	Director of Sales & Marketing	2002 – 2003
SCF Partners, Houston, TX	Director of Marketing	2001 – 2002
Questia Media, Inc., Houston, TX	Vice President, External Relations	1999 – 2001
U.S. Playing Card Company, Cincinnati, OH	Sales Representative	1996 – 1997

## **Ali Baird Bio**

I'm a mother of two children, one of whom is a first grader at LCS Fairfax. I became involved as a founding parent during the year before the former LCW opened and am passionate about the school—and aware of many of the challenges and opportunities associated with the merge.

I am from Boston and graduated from Groton School in Massachusetts and received my B.A. in psychology from Trinity College in Hartford, CT. Ironically, I developed my passion for equal access to strong public education while at these private schools. At Trinity, I focused on social justice and diversity and their relationship to education.

After college I taught 1st grade and then middle school English and Social Studies for several years at both private and public schools. I gained great respect for good teachers and saw what being a good teacher entails. After teaching, I moved out of the classroom and began working for the non-profit Educators for Social Responsibility.

I am now a Marriage and Family Therapist Intern with a Masters degree in applied psychology from Antioch University.

## Bea Hsu – short bio

Bea Hsu is Senior Vice President of Development and Forward Planning for Related California, a full service real estate firm specializing in urban infill development including affordable housing, mixed income housing and commercial mixed use development. In that role she is responsible for developments throughout the Los Angeles area, with particular focus on forward planning, acquisitions, and public/private partnerships.

Since joining Related in 2006, her major projects have included The Grand Avenue Project and Grand Park in downtown Los Angeles, and she has been responsible for the acquisition, entitlements, and development agreements for over 630 units of infill multifamily housing throughout Southern California.

Ms. Hsu previously served as a policy advisor to Los Angeles City Councilmember Eric Garcetti with a focus on housing, economic development and budget issues. She also previously served as a policy advisor to then-California State Controller Kathleen Connell.

Bea holds a BA from Yale University in History and Political Science, and is a graduate of the Coro Fellowship in Public Affairs and the Ross Minority Program in Real Estate at USC. She is a past board member of the Los Angeles Community College Foundation, past Vice-Chair of the City of Los Angeles Industrial Development Authority. She recently served as a member of Mayor Eric Garcetti's transition team and currently serves as a Mayoral appointee to the Los Angeles Board of Airport Commissioners. She also serves on the Planning Program Advisory Board of the USC Sol Price School of Public Policy.

**Rachel Rogers*****Senior Vice President and Managing Director, Atomic PR Los Angeles***

Rachel joined Atomic in 2007, bringing more than fourteen years of PR and marketing experience representing entertainment, tech, educational, non-profit and consumer brands. Rachel oversees the agency's Los Angeles office and has provided strategic oversight for a variety of consumer facing accounts including Sony Electronics, Pioneer Electronics, Polaroid, Hotwire, GOOD, Susan G. Komen for the Cure, Wonder of Reading, MindMixer, Knewton and others. Her team has also won numerous awards for creativity, including Campaign of the Year recognitions for Atomic's "Save the Hollywood Sign" campaign and the re-launch of Polaroid and announcement Lady Gaga as the brand's Creative Director at CES 2010. Rachel joined Atomic from EMAK Worldwide, a publicly traded marketing services holding company where she was the Director of Communications. While there, she was instrumental in orchestrating the publicity and promotional advertising campaigns for global brand clients including Burger King, Miller and Kellogg's and helped her agency win several awards including a Gold Clio for her agency's digital campaign, Simpsonizeme.com on behalf of client Burger King. Previously, she represented top-tier entertainment brands including Disney Home Entertainment and Imagine Entertainment, orchestrating PR and marketing campaigns for a wide slate of film and television properties. Rachel earned her BA in English Literature from Trinity College in Hartford CT.

**Lindsay Sturman Bio**

Lindsay Sturman is a television writer who has organized parents and communities to open six diverse, high-performing Los Angeles charter schools, including Larchmont Charter, Valley Charter, The City School and City Elementary West Adams. She was the 2009 recipient of the Hart Vision Award for her volunteer work in the California Charter Movement.



## **Alan Dunn Bio**

Alan Dunn is the owner of Los Angeles catering company Tres L.A. and special event venue Carondelet House. As the former Food & Beverage Director of the legendary Chateau Marmont Hotel, Alan catered to Hollywood's most discerning clientele. He understands the importance of impeccable, discreet service delivered with a sense of style.

Since he began his own company nearly a decade ago, he has amassed an illustrious client list which includes, Bill and Hillary Clinton, Sean "Diddy" Combs, Cher, Mark Wahlberg, HRH Prince Andrew and many others. Alan has played an integral part in the planning and execution of numerous successful fundraisers for non-profits, political campaigns, schools and numerous issues he has been personally compelled to assist. Recent highlights include the Harvard-Westlake School annual fundraiser, Eric Garcetti election campaign and the Larchmont Charter-Edible Schoolyard fundraiser with Alice Waters.

**LARCHMONT SCHOOLS**

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**ANNUAL FINANCIAL REPORT**

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**JUNE 30, 2013**

# LARCHMONT SCHOOLS

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## INDEPENDENT AUDITORS' REPORT

Governing Board  
Larchmont Schools  
Los Angeles, California

### Report on the Financial Statements

We have audited the accompanying combined financial statements of Larchmont Schools (A California Non-Profit Public Benefit Corporation), which are comprised of the combined statement of financial position as of June 30, 2013, and the related combined statements of activities and changes in net assets, and combined cash flows for the year then ended, and the related notes to the combined financial statements.

### Management's Responsibility for the Combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. 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; and *Standards and Procedures for Audits of California K-12 Local Education Agencies 2012-2013*, issued by the California Education Audit Appeals Panel as regulations. 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 Larchmont Schools' 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 Larchmont Schools' 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 opinion.

### **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Larchmont Schools as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the combined financial statements that collectively comprise Larchmont Schools' basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information as referenced in the previous paragraph 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 to 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 supplementary information as listed in the table of contents 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 December 16, 2013, on our consideration of Larchmont Schools' 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 Larchmont Schools' internal control over financial reporting and compliance.

*Varrick, Tinn, Day & Co., LLP*

Rancho Cucamonga, California  
December 16, 2013

# LARCHMONT SCHOOLS

## COMBINED STATEMENT OF FINANCIAL POSITION JUNE 30, 2013

	Larchmont Charter School	Larchmont Charter - West Hollywood	Network Support
<b>ASSETS</b>			
Current Assets			
Cash	\$ 142,626	\$ 405,686	\$ -
Accounts receivable	1,939,735	768,532	-
Intercompany receivable	4,795	87,556	-
Prepaid expenses and other current assets	59,000	-	46,071
Total Current Assets	<u>2,146,156</u>	<u>1,261,774</u>	<u>46,071</u>
Non-Current Assets			
Fixed assets	922,618	122,515	63,268
Less: accumulated depreciation	<u>305,625</u>	<u>21,940</u>	<u>4,670</u>
Total Non-Current Assets	<u>616,993</u>	<u>100,575</u>	<u>58,598</u>
Total Assets	<u>\$ 2,763,149</u>	<u>\$ 1,362,349</u>	<u>\$ 104,669</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 174,524	\$ 144,025	\$ 5,583
Intercompany payable	-	-	92,351
Deferred revenue	-	145,000	-
Current portion of term note payable	41,251	-	-
Line of credit	580,000	-	-
Total Current Liabilities	<u>795,775</u>	<u>289,025</u>	<u>97,934</u>
Long-Term Obligations			
Long term note payable	<u>391,769</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,187,544</u>	<u>289,025</u>	<u>97,934</u>
<b>NET ASSETS</b>			
Unrestricted	<u>1,575,605</u>	<u>1,073,324</u>	<u>6,735</u>
Total Net Assets	<u>1,575,605</u>	<u>1,073,324</u>	<u>6,735</u>
Total Liabilities and Net Assets	<u>\$ 2,763,149</u>	<u>\$ 1,362,349</u>	<u>\$ 104,669</u>

The accompanying notes are an integral part of these financial statements.

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<u>Eliminations</u>	<u>Combined Total</u>
\$ -	\$ 548,312
-	2,708,267
(92,351)	-
-	105,071
<u>(92,351)</u>	<u>3,361,650</u>
-	1,108,401
-	332,235
-	776,166
<u>\$ (92,351)</u>	<u>\$ 4,137,816</u>
\$ -	\$ 324,132
(92,351)	-
-	145,000
-	41,251
-	580,000
<u>(92,351)</u>	<u>1,090,383</u>
-	391,769
<u>(92,351)</u>	<u>1,482,152</u>
-	2,655,664
-	2,655,664
<u>\$ (92,351)</u>	<u>\$ 4,137,816</u>

# LARCHMONT SCHOOLS

## COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2013

	Larchmont Charter School	Larchmont Charter - West Hollywood Unrestricted
<b>REVENUES</b>		
Revenue limit sources		
State apportionment	\$ 2,512,446	\$ 1,198,810
In-lieu property taxes	913,475	449,278
Federal revenue	318,811	131,722
State revenue	1,883,050	609,513
Local revenues	1,084,031	873,772
Net assets released from restriction	-	284,506
Total Revenues	<u>6,711,813</u>	<u>3,547,601</u>
<b>EXPENSES</b>		
Program services		
Teacher salaries and benefits	3,688,929	1,620,930
Student transportation	4,833	3,228
Other student services	82,782	32,332
Educational programs	8,570	11,948
Occupancy	684,667	248,527
Student supplies	112,626	67,265
Student nutrition	209,700	193,683
Special education fee	176,499	121,531
Depreciation	24,422	7,654
Capital outlay	91,506	54,118
Subtotal	<u>5,084,534</u>	<u>2,361,216</u>
Management and general		
Clerical salaries and benefits	540,719	327,973
District supervisory fee	37,275	17,894
Insurance	-	-
Operating expenses	253,522	138,475
Subtotal	<u>831,516</u>	<u>484,342</u>
Total Expenses	<u>5,916,050</u>	<u>2,845,558</u>
<b>OPERATING TRANSFERS</b>		
Operating transfers in	639,308	314,883
Operating transfers out	-	-
Total Operating Transfers	<u>639,308</u>	<u>314,883</u>
<b>CHANGE IN NET ASSETS</b>	156,455	387,160
<b>NET ASSETS (DEFICIT), BEGINNING OF YEAR</b>	1,419,150	686,164
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,575,605</u>	<u>\$ 1,073,324</u>

The accompanying notes are an integral part of these financial statements.



Larchmont Charter - West Hollywood Temporarily Restricted	Network Support	Combined Total
\$ -	\$ -	\$ 3,711,256
-	-	1,362,753
-	-	450,533
-	-	2,492,563
-	13,606	1,971,409
(284,506)	-	-
<u>(284,506)</u>	<u>13,606</u>	<u>9,988,514</u>
-	66,809	5,376,668
-	-	8,061
-	1,249	116,363
-	13,569	34,087
-	21,000	954,194
-	6,638	186,529
-	1,245	404,628
-	-	298,030
-	1,288	33,364
-	4,157	149,781
-	<u>115,955</u>	<u>7,561,705</u>
-	480,010	1,348,702
-	-	55,169
-	96,294	96,294
-	<u>263,237</u>	<u>655,234</u>
-	<u>839,541</u>	<u>2,155,399</u>
-	<u>955,496</u>	<u>9,717,104</u>
-	-	954,191
-	<u>(954,191)</u>	<u>(954,191)</u>
-	<u>(954,191)</u>	-
(284,506)	12,301	271,410
284,506	<u>(5,566)</u>	<u>2,384,254</u>
<u>\$ -</u>	<u>\$ 6,735</u>	<u>\$ 2,655,664</u>

# LARCHMONT SCHOOLS

## COMBINED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2013

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	Larchmont Charter School	Larchmont Charter - West Hollywood
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 156,455	\$ 102,654
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities		
Depreciation expense	24,422	7,654
Changes in operating assets and liabilities		
(Increase) Decrease in accounts receivable	(717,226)	(223,986)
(Increase) Decrease in intercompany receivable	31,054	(70,587)
Decrease in prepaid expenses	19,897	32,747
(Decrease) Increase in accounts payable	16,189	63,667
Increase in intercompany payable	-	-
(Decrease) Increase in deferred revenue	(99,176)	120,212
Net Cash Provided (Used) by Operating Activities	<u>(568,385)</u>	<u>32,361</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	<u>(602,669)</u>	<u>(90,605)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan proceeds	<u>713,020</u>	<u>-</u>
<b>NET DECREASE IN CASH</b>	(458,034)	(58,244)
<b>CASH BEGINNING OF YEAR</b>	<u>600,660</u>	<u>463,930</u>
<b>CASH END OF YEAR</b>	<u>\$ 142,626</u>	<u>\$ 405,686</u>

The accompanying notes are an integral part of these financial statements.

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Network Support	Combined Total
\$ 12,301	\$ 271,410
1,288	33,364
230	(940,982)
-	(39,533)
11,611	64,255
(33,706)	46,150
39,533	39,533
-	21,036
<u>31,257</u>	<u>(504,767)</u>
<u>(31,257)</u>	<u>(724,531)</u>
<u>-</u>	<u>713,020</u>
-	(516,278)
<u>-</u>	<u>1,064,590</u>
<u>\$ -</u>	<u>\$ 548,312</u>

# **LARCHMONT SCHOOLS**

## **NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2013**

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### ***NOTE 1 - ORGANIZATION AND MISSION***

#### **Larchmont Schools**

Larchmont Schools (formerly known as Larchmont Charter School) was formed during 2004 as a non-profit public benefit corporation and the purpose of this corporation is to develop, manage, operate, guide, direct and promote charter schools. Larchmont Charter School officially became Larchmont Schools on September 18, 2012.

The mission of Larchmont Schools is to provide a socio-economically, culturally and racially diverse community of students with an exceptional public education. We foster creativity and academic excellence; our students learn with and from each other in an experience-centered, inquiry-based learning environment. With participation from our entire community, we strive to instill in each student a dedication to improving the world we inhabit.

Larchmont Schools oversees the operation of Larchmont Charter School and Larchmont Charter-West Hollywood.

#### **Larchmont Charter School**

Larchmont Charter School petitioned through Los Angeles Unified School District (LAUSD) for a charter and was approved by the State of California Department of Education on September 25, 2005, and renewed on February 16, 2010, for a period of five years ending in 2015.

Charter School number authorized by the State: 0717

Larchmont Charter School, located at 815 North El Centro Ave, Los Angeles, California, opened in September 2005, and served 679 students in grades kindergarten through nine during the 2012-2013 school year. Larchmont Charter strives to have the essential combination of a research-based, innovative curriculum, parent involvement in school governance and academic excellence. It emphasizes constructivism in student learning.

#### **Larchmont Charter-West Hollywood**

Larchmont Charter-West Hollywood was formed during 2008, by Larchmont Schools. Larchmont Charter-West Hollywood petitioned through LAUSD for a charter and was approved by the State of California Department of Education on July 8, 2008, for a period of five years ending in 2013.

Charter School number authorized by the State: 1040

Larchmont Charter-West Hollywood, located at 1265 North Fairfax Ave., West Hollywood, California, opened in September 2008, and served 334 students in grades kindergarten through six during the 2012-2013 school year.

Like its sister school, Larchmont Charter-West Hollywood strives to have the essential combination of a research-based, innovative curriculum, parent involvement in school governance and academic excellence. It emphasizes constructivism in student learning.

# LARCHMONT SCHOOLS

## NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2013

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### **Network Support**

Administrative functions are consolidated for Larchmont Schools and accounted for separately within the financial statements using an allocation based on student enrollment.

### **Other Related Entities**

**Joint Powers Agency and Risk Management Pools** - Larchmont Schools are associated with the California Charter Schools Association Joint Powers Authority (CCSA-JPA). The CCSA-JPA does not meet the criteria for inclusion as a component unit of Larchmont Schools. Additional information is presented in Note 12 to the financial statements.

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

The significant policies followed by Larchmont Schools are described below to enhance the financial statements.

#### **Financial Statement Presentation**

Larchmont Schools is required to report information about its financial position and activities in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. Larchmont Schools had no permanently restricted net assets, as of June 30, 2013. In addition, Larchmont Schools is required to present a Statement of Cash Flows.

#### **Accounting Method - Basis of Accounting**

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied. Larchmont Schools uses the accrual basis of accounting. Revenues are recognized when they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

#### **Revenue Recognition**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending upon the existence and/or nature of any donor restrictions.

All donor-restricted contributions are recorded as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, either by the passage of time or the purpose is satisfied, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as "net assets released from restrictions." Larchmont Schools had no temporarily or permanently restricted assets as of June 30, 2013.

# LARCHMONT SCHOOLS

## NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2013

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### **Income Taxes**

Larchmont Schools is a non-profit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. It is also exempt from state franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. Income tax returns for 2009 and forward may be audited by regulatory agencies, however, Larchmont Schools is not aware of any such actions at this time.

Larchmont Schools has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

### **Cash**

For purposes of the Statement of Cash Flows, Larchmont Schools considers all cash on hand and in banks.

### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from the outstanding balance. Management provides an analysis of the probable collection of the accounts through a provision for bad debt expense and an adjustment to a valuation allowance. At June 30, 2013, management had determined that all accounts receivable are fully collectible, and no allowance for bad debts has been established.

### **Intercompany Receivable/Payable**

Intercompany receivable/payable results from a net cumulative difference between resources provided by Network Support to each individual charter school and reimbursement for those resources from each individual charter school to Network Support.

### **Fixed Assets**

It is Larchmont Schools' policy to capitalize individual property and equipment purchases over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Furniture and equipment are depreciated using the straight-line method, over 3 to 5 years. As of June 30, 2013, depreciation expense was \$33,364.

### **Donated Services, Goods, and Facilities**

A substantial number of volunteers have donated their time and experience to Larchmont Schools' program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services.

# LARCHMONT SCHOOLS

## NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2013

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### Use of 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 the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Unrestricted/Designated Net Assets

Designations of the ending net assets indicate tentative plans for financial resource utilization in a future period. As of June 30, 2013, Larchmont Schools have no designations.

### NOTE 3 - CASH

Cash at June 30, 2013, consisted of the following:

	Reported Amount			Combined
	Larchmont Charter School	Larchmont Charter - West Hollywood	Combined Total	Bank Balance
Deposits				
Cash on hand and in banks	\$ 142,626	\$ 405,686	\$ 548,312	\$ 613,809

Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). At June 30, 2013, Larchmont Schools had \$162,825 balance in excess of FDIC insured limits. Management believes Larchmont Schools is not exposed to any significant risk related to cash.

# LARCHMONT SCHOOLS

## NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2013

### NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2013, consisted of the following:

	Larchmont Charter School	Larchmont Charter - West Hollywood	Combined Total
Revenue limit sources			
General purpose block grant	\$ 1,118,407	\$ 553,628	\$ 1,672,035
Categorical block grant	101,703	44,819	146,522
In-lieu property taxes	20,152	10,210	30,362
Total Revenue Limit Sources	<u>1,240,262</u>	<u>608,657</u>	<u>1,848,919</u>
Federal receivable	45,431	19,720	65,151
State receivable	595,786	45,328	641,114
Lottery	53,884	26,917	80,801
Local receivable	4,372	67,910	72,282
Total Accounts Receivable	<u>\$ 1,939,735</u>	<u>\$ 768,532</u>	<u>\$ 2,708,267</u>

### NOTE 5 - FIXED ASSETS

Fixed assets at June 30, 2013, consisted of the following:

	Larchmont Charter School	Larchmont Charter - West Hollywood	Network Support	Combined Total
Improvement of sites	\$ 304,540	\$ 18,144	\$ 4,644	\$ 327,328
Computer equipment	35,982	26,676	10,700	73,358
Work in progress	582,096	77,695	47,924	707,715
	<u>922,618</u>	<u>122,515</u>	<u>63,268</u>	<u>1,108,401</u>
Less: accumulated depreciation	(305,625)	(21,940)	(4,670)	(332,235)
Total Fixed Assets	<u>\$ 616,993</u>	<u>\$ 100,575</u>	<u>\$ 58,598</u>	<u>\$ 776,166</u>

During the year ended June 30, 2013, \$33,364 was charged to depreciation expense.



# LARCHMONT SCHOOLS

## NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2013

### NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2013, consisted of the following:

	Larchmont Charter School	Larchmont Charter - West Hollywood	Network Support	Combined Total
Salaries and benefits	\$ 22,826	\$ 5,850	\$ 5,583	\$ 34,259
Vendor payables	126,556	127,237	-	253,793
Due to Los Angeles Unified School District	32	6,256	-	6,288
Due to grantor	25,110	4,682	-	29,792
Total Accounts Payable	<u>\$ 174,524</u>	<u>\$ 144,025</u>	<u>\$ 5,583</u>	<u>\$ 324,132</u>

### NOTE 7 - LINE OF CREDIT

Larchmont Schools has entered into a line of credit (the LOC) from Pacific Western Bank. As of June 30, 2013, the line of credit balance is \$580,000. The LOC has an aggregate principal limit of \$750,000 and expires April 2014. Larchmont Schools was in compliance with the LOC's covenant through June 30, 2013. During fiscal year 2013, the daily outstanding principal balance has an interest rate of 5.5 percent.

### NOTE 8 - LONG-TERM OBLIGATIONS NOTE PAYABLE

On May 1, 2013 Larchmont Schools obtained a term loan with Pacific Western Bank in the amount of \$1,300,000. The note has an interest rate of 5.5 percent with a maturity date through November 2020. As of June 30, 2013, Larchmont Schools withdrew \$433,020 and has a remaining balance of \$866,960, which totals the \$1,300,000 of the full-term loan.

The following payments reflect the full-term loan that will begin 2014 fiscal year:

Repayment Year	Principal	Interest	Total Principal and Interest
2014	\$ 41,251	\$ 33,484	\$ 74,735
2015	68,162	59,954	128,116
2016	64,781	63,336	128,117
2017	61,208	66,908	128,116
2018	57,433	70,683	128,116
2019-2021	1,007,165	184,761	1,191,926
Total	<u>\$ 1,300,000</u>	<u>\$ 479,126</u>	<u>\$ 1,779,126</u>

## LARCHMONT SCHOOLS

### NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2013

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#### *NOTE 9 - OPERATING LEASE*

Larchmont Charter School entered into an agreement on June 1, 2010, with Immanuel Presbyterian Church for its campus location at 688 South Catalina Street, Los Angeles. The term commences on August 1, 2010, and expires July 31, 2013. An Addendum was made on June 1, 2010, to adjust the base fixed rent. Lease expense for Larchmont Charter School was \$205,800 with \$21,000 expense allocated to Network Support totaling \$226,800 for the year ended June 30, 2013.

The future minimum annual payments for the long-term lease agreement as of June 30, 2013, are as follows:

Year Ending June 30, <u>2014</u>	Larchmont Charter School <u>\$ 18,900</u>
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Larchmont Charter School entered into an agreement on May 5, 2006, with Eastfield Ming Quong, Inc. for its campus location at 815 North El Centro Avenue, Los Angeles. An amendment was made in August 2011, in which the amount of rent due is \$1.99 per square foot. An additional amendment was made on to commence August 1, 2012, and extended through July 31, 2015. The lease expense for fiscal year 2012-2013 was \$375,647.

The future minimum annual payments for the long-term lease agreement as of June 30, 2013, are as follows:

Year Ending June 30, <u>2014</u>	Larchmont Charter School
2014	\$ 383,061
2015	390,475
2016	32,591
Total	<u>\$ 806,127</u>

Larchmont Charter-West Hollywood entered into a one year lease on July 1, 2012, with the Los Angeles Unified School District in which Larchmont Charter-West Hollywood would occupy Selma Avenue Elementary School for its campus location. The term of this agreement will expired on June 30, 2013. The lease expense for fiscal year 2012-2013 was \$53,857.

Larchmont Charter-West Hollywood entered into a lease agreement with Archdiocese of Los Angeles Education and Welfare Corporation for the benefit of St. Ambrose Parish for the location on 1265 N. Fairfax Avenue, Los Angeles on April 25, 2005. An amendment was made to the original agreement on June 3, 2009. The term of this amendment lease shall be for three years commencing September 1, 2009, and expires August 30, 2012. The lease expense for fiscal year 2012-2013 was \$245,973.

## **LARCHMONT SCHOOLS**

### **NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2013**

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#### ***NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS***

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS).

#### **CalSTRS**

##### **Plan Description**

Larchmont Schools contribute to CalSTRS through the Los Angeles County Office of Education, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 100 Waterfront Place, West Sacramento, California, 95605.

##### **Funding Policy**

Active plan members are required to contribute 8.0 percent of their salary and Larchmont Schools is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2012-2013 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. Larchmont Schools' contributions to CalSTRS for the fiscal years ending June 30, 2013, 2012 and 2011, were \$288,632, \$239,326, and \$204,040, and equal 100 percent of the required contributions for each year.

##### **On Behalf Payments**

The State of California makes contributions to CalSTRS on behalf of Larchmont Schools. These payments consist of State General Fund contributions to CalSTRS in the amount of \$130,411 (5.176 percent of salaries subject to CalSTRS). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements.

#### ***NOTE 11 - CONTINGENCIES***

Larchmont Schools has received State and Federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate disallowances under terms of the grants, it is believed that any reimbursement, if required, would not be material.

##### **Litigation**

Larchmont Schools is not currently a party to any legal proceedings.

## LARCHMONT SCHOOLS

### NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 2013

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#### *NOTE 12 - PARTICIPATION IN JOINT POWERS AUTHORITY*

Larchmont Schools is a participant in the California Charter Schools Association Joint Powers Authority (CCSA-JPA) for risk management services for workers' compensation insurance and charter school liability insurance. The relationship between Larchmont Schools and the CCSA-JPA is such that the CCSA-JPA is not considered a component unit of Larchmont Schools for financial reporting purposes.

The CCSA-JPA has budgeting and financial reporting requirements independent of member units and the CCSA-JPA's financial statements are not presented in these financial statements; however, transactions between the CCSA-JPA and Larchmont Schools are included in these statements. Audited financial statements for CCSA-JPA were not available for fiscal year 2012-2013 at the time this report was issued. However, financial statements should be available from the respective agency.

During the year ended June 30, 2013, Larchmont Schools made a payment of \$311,406 to CCSA-JPA for services received. At June 30, 2013, Larchmont Schools had no recorded accounts receivable or accounts payable to the CCSA-JPA.

#### *NOTE 13 - SUBSEQUENT EVENTS*

Larchmont Schools' management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through December 16, 2013, which is the date the financial statements were available to be issued. Management has determined that there were subsequent events or transactions noted below that would have a material impact on the current year financial statements.

In April 2013, Larchmont Schools submitted a Request for Material Revision to the Charter of Larchmont Charter School to its authorizer, the Los Angeles Unified School District, requesting to merge the students and operations of Larchmont Charter-West Hollywood into the charter of Larchmont Charter School, effective July 1, 2013. On April 16, 2013, the Los Angeles Unified School District approved the Material Revision to the charter of Larchmont Charter School for the remainder of the school's five year term.

As of August 2013, the line of credit from Pacific Western Bank was paid off in the amount of \$580,000.

On June 30, 2013, Larchmont Charter-West Hollywood was closed due to merger. The Charter School's last day of instruction was during June 2013. As part of the final audit, Larchmont Charter-West Hollywood is required to determine the net assets or net liabilities remaining and disclose required information.

1. The Larchmont Charter-West Hollywood is reporting a net surplus of \$1,073,324.
2. The Larchmont Charter-West Hollywood has no outstanding restricted funds due back to the government agencies.
3. The Larchmont Charter-West Hollywood is scheduled to combine charter operations between July and August.

On November 9, 2012, Larchmont Schools entered a lease agreement with Jamison Properties, Inc. The agreement will commence on September 1, 2013.

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*SUPPLEMENTARY INFORMATION*

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# LARCHMONT SCHOOLS

## LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2013

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### ORGANIZATION

Larchmont Charter School's charter was granted on February 8, 2005, and renewed on February 16, 2010, by the Los Angeles Unified School District.

Larchmont Charter operates one elementary school (K-5), one middle school (6-8) and one high school (grade 9 for the 2012-2013 school year, but 9-12 by the 2015-2016 school year).

Larchmont Charter-West Hollywood charter was granted on July 8, 2008, by the Los Angeles Unified School District and operates one elementary school (K-3) and one middle school (grades 4-6 for the 2012-2013 school year, but 4-8 by the 2014-2015 school year).

### GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Danny Corwin	President	2013
Alicia Lara	Vice President	2013
Gabi Loeb	Treasurer	2013
Mayra Francis	Secretary	2013
John Amato	Member	2014
Kim Patillo Brownson	Member	2014
Carl Cade	Member	2014
Mark Dierking	Member	2014
Mark Feuerstein	Member	2014
Nick Grouf	Member	2014
Rebecca Hutchinson	Member	2013
Nicole Jaeger	Member	2013
Ena LaVan	Member	2014
Jane Lipsitz	Member	2014
Amber Young Medina	Member	2014
Richard Wright	Member	2014

### ADMINISTRATION

Eugene D. Straub	Executive Director
Dolores Patton	Co-Principal, Larchmont Charter Elementary School
Betsy Cavalier	Co-Principal, Larchmont Charter Elementary School
Myra Salinas	Assistant Principal, Larchmont Charter Elementary School
Rick Esquivel	Principal, Larchmont Charter Middle School
Beth Tigay	Assistant Principal, Larchmont Charter Middle School
Gabriel Ramirez	Assistant Principal, Larchmont Charter High School
Kristin Droege	Principal, Larchmont Charter-West Hollywood

See accompanying note to supplementary information.

# LARCHMONT SCHOOLS

## SCHEDULE OF AVERAGE DAILY ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2013

### Larchmont Charter

	Final Report	
	Second	Annual
	Period	Report
Report	Report	
<b>ELEMENTARY &amp; SECONDARY - Total</b>		
Kindergarten *	63	63
First through third grade *	188	190
Fourth through sixth grade *	213	211
Seventh through eighth grade *	144	144
Total Elementary School	<u>608</u>	<u>608</u>
<b>SECONDARY</b>		
Regular classes	44	44
Total Elementary & Secondary School	<u>652</u>	<u>652</u>
<b>ELEMENTARY &amp; SECONDARY - Classroom Based Instruction</b>		
Kindergarten	63	63
First through third grade	187	188
Fourth through sixth grade	210	209
Seventh through eighth grade	143	142
Total Elementary & Secondary School - Classroom Based Instruction	<u>603</u>	<u>602</u>
<b>SECONDARY</b>		
Regular classes	44	44
Total Elementary & Secondary School - Classroom Based Instruction	<u>647</u>	<u>646</u>
<b>ELEMENTARY &amp; SECONDARY - Non-Classroom Based Instruction</b>		
First through third grade	1	2
Fourth through sixth grade	3	2
Seventh through eighth grade	1	2
Total Elementary & Secondary School - Non Classroom Based Instruction	<u>5</u>	<u>6</u>

\*Includes short-term independent study.

See accompanying note to supplementary information.

# LARCHMONT SCHOOLS

## SCHEDULE OF AVERAGE DAILY ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2013 (Continued)

### Larchmont Charter - West Hollywood

	Final Report	
	Second Period Report	Annual Report
<b>ELEMENTARY - Total</b>		
Kindergarten *	45	45
First through third grade *	133	133
Fourth through sixth grade *	143	144
Total Elementary School	<u>321</u>	<u>322</u>
<b>ELEMENTARY - Classroom Based Instruction</b>		
Kindergarten	44	44
First through third grade	130	131
Fourth through sixth grade	143	144
Total Elementary- Non Classroom Based Instruction	<u>317</u>	<u>319</u>
<b>ELEMENTARY - Non-Classroom Based Instruction</b>		
Kindergarten	1	1
First through third grade	3	2
Total Elementary & Secondary School - Non Classroom Based Instruction	<u>4</u>	<u>3</u>

\*Includes short-term independent study.

See accompanying note to supplementary information.



# LARCHMONT SCHOOLS

## SCHEDULE OF INSTRUCTIONAL TIME FOR THE YEAR ENDED JUNE 30, 2013

### Larchmont Charter

Grade Level	1982-83	Reduced 1982-83	1986-87	Reduced 1986-87	2012-13	Number of Days		Status
	Actual Minutes	Actual Minutes	Minutes Requirement	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Kindergarten	*	*	36,000	34,971	52,365	175	N/A	Complied
Grades 1 - 3								
Grade 1	*	*	50,400	48,960	52,365	175	N/A	Complied
Grade 2	*	*	50,400	48,960	54,345	175	N/A	Complied
Grade 3	*	*	50,400	48,960	54,345	175	N/A	Complied
Grades 4 - 6								
Grade 4	*	*	54,000	52,457	54,345	175	N/A	Complied
Grade 5	*	*	54,000	52,457	54,345	175	N/A	Complied
Grade 6	*	*	54,000	52,457	54,345	175	N/A	Complied
Grades 7 - 8								
Grade 7	*	*	54,000	52,457	54,345	175	N/A	Complied
Grade 8	*	*	54,000	52,457	54,345	175	N/A	Complied
Grades 9 - 12								
Grade 9	*	*	64,800	62,949	63,225	175	N/A	Complied

\* Larchmont Charter was not operating in 1982-83.

### Larchmont Charter - West Hollywood

Grade Level	1982-83	Reduced 1982-83	1986-87	Reduced 1986-87	2012-13	Number of Days		Status
	Actual Minutes	Actual Minutes	Minutes Requirement	Minutes Requirement	Actual Minutes	Traditional Calendar	Multitrack Calendar	
Kindergarten	*	*	36,000	34,971	52,365	175	N/A	Complied
Grades 1 - 3								
Grade 1	*	*	50,400	48,960	52,365	175	N/A	Complied
Grade 2	*	*	50,400	48,960	54,345	175	N/A	Complied
Grade 3	*	*	50,400	48,960	54,345	175	N/A	Complied
Grades 4 - 5								
Grade 4	*	*	54,000	52,457	54,345	175	N/A	Complied
Grade 5	*	*	54,000	52,457	54,345	175	N/A	Complied
Grade 6	*	*	54,000	52,457	54,345	175	N/A	Complied

\* Larchmont Charter - West Hollywood was not operating in 1982-83.

See accompanying note to supplementary information.

## **LARCHMONT SCHOOLS**

### **RECONCILIATION OF ANNUAL FINANCIAL REPORT WITH AUDITED COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013**

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There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited combined financial statements at June 30, 2013.

See accompanying note to supplementary information.

# LARCHMONT SCHOOLS

## NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2013

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### *NOTE 1 - PURPOSE OF SUPPLEMENTARY SCHEDULES*

#### **Local Education Agency Organization Structure**

This schedule provides information about the schools operated, members of the governing board, and members of the administration.

#### **Schedule of Average Daily Attendance**

This schedule presents information on the amount of instructional time offered by Larchmont Schools and whether Larchmont Schools complied with provisions of *Education Code* Sections 46200 and 46206. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made through the Los Angeles County Office of Education to Larchmont Schools.

#### **Schedule of Instructional Time**

This schedule presents information on the amount of instructional time offered by Larchmont Schools and whether Larchmont Schools complied with the provisions of *Education Code* Sections 46200 through 46206.

Larchmont Schools must maintain their instructional minutes at either 1982-83 actual minutes or the 1986-87 requirements; whichever is greater, as required by *Education Code* Section 46201.

#### **Reconciliation of Annual Financial Report With Audited Financial Statements**

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

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***INDEPENDENT AUDITORS' REPORTS***

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**INDEPENDENT AUDITORS' 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**

Governing Board  
Larchmont Schools  
Los Angeles, California

We have audited, in accordance with the 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 combined financial statements of Larchmont Schools (A California Non-Profit Public Benefit Corporation) as of and for the year ended June 30, 2013, and the related notes to the combined financial statements, which collectively comprise Larchmont Schools' basic financial statements, and have issued our report thereon dated December 16, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the combined financial statements, we considered Larchmont Schools' 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 Larchmont Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Larchmont Schools' 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Larchmont Schools' combined 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 Larchmont Schools' combined 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 Larchmont Schools' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Larchmont Schools' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Vannink, Tein, Day & Co., LLP*

Rancho Cucamonga, California  
December 16, 2013



## INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Governing Board  
Larchmont Schools  
Los Angeles, California

### Report on State Compliance

We have audited Larchmont Schools' (A California Non-Profit Public Benefit Corporation) compliance with the types of compliance requirements as identified in the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-2013* that could have a direct and material effect on each of Larchmont Schools' State government programs as noted below for the year ended June 30, 2013.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of Larchmont Schools' State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2012-2013*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Larchmont Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Larchmont Schools' compliance with those requirements.

### Unmodified Opinion on Each of the Programs

In our opinion, Larchmont Schools complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2013.

In connection with the audit referred to above, we selected and tested transactions and records to determine Larchmont Schools' compliance with the State laws and regulations applicable to the following items:

	<u>Procedures in Audit Guide</u>	<u>Procedures Performed</u>
Attendance Accounting:		
Attendance Reporting	6	Not applicable
Teacher Certification and Misassignments	3	Not applicable
Kindergarten Continuance	3	Not applicable
Independent Study	23	Not applicable
Continuation Education	10	Not applicable
Instructional Time:		
School Districts	6	Not applicable
County Offices of Education	3	Not applicable
Instructional Materials:		
General Requirements	8	Not applicable
Ratios of Administrative Employees to Teachers	1	Not applicable
Classroom Teacher Salaries	1	Not applicable
Early Retirement Incentive	4	Not applicable
Gann Limit Calculation	1	Not applicable
School Accountability Report Card	3	Not applicable
Juvenile Court Schools	8	Not applicable
Class Size Reduction Program (including in charter schools):		
General Requirements	7	Yes
Option One Classes	3	Yes
Option Two Classes	4	Not applicable
Districts or Charter Schools With Only One School Serving K-3	4	Not applicable
After School Education and Safety Program:		
General Requirements	4	Not applicable
After School	5	Not applicable
Before School	6	Not applicable
Charter Schools:		
Contemporaneous Records of Attendance	1	Yes
Mode of Instruction	1	Yes
Non Classroom-Based Instruction/Independent Study	15	No, see below
Determination of Funding for Non Classroom-Based Instruction	3	Not applicable
Annual Instruction Minutes Classroom-Based	4	Yes

We did not perform testing for non classroom-based instruction/independent study because the total average daily attendance was below State guidelines.

*Varrink, Tinn, Day & Co., LLP*  
Rancho Cucamonga, California  
December 16, 2013



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***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

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# LARCHMONT SCHOOLS

## SUMMARY OF AUDITORS' RESULTS FOR THE YEAR ENDED JUNE 30, 2013

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### FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

### STATE AWARDS

Type of auditors' report issued on compliance for State programs:	<u>Unmodified</u>
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**LARCHMONT SCHOOLS**

**FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013**

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None reported.

**LARCHMONT SCHOOLS**

**STATE AWARDS FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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None reported.

**LARCHMONT SCHOOLS**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013**

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There were no audit findings reported in the prior year's schedule of financial statement findings.