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AUDITOR GENERAL

**SUSIE DANIELS
CHARTER ELEMENTARY
(A Division of Educational
Charter Foundation
of Florida, Inc.)**

**Basic Financial Statements and
Supplemental Information**

**For the year ended
June 30, 2007**

**BERMAN HOPKINS
WRIGHT & LAHAM**
CPAS AND ASSOCIATES, LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Susie Daniels Charter Elementary
West Park, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Susie Daniels Charter Elementary (a Charter School), a component unit of the School Board of Broward County, Florida and a division of Educational Charter Foundation of Florida, Inc. (the "Charterholder"), as of and for the year ended June 30, 2007, which collectively comprise the School's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Susie Daniels Charter Elementary's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note A-1, the accompanying financial statements referred to above present only the financial position of Susie Daniels Charter Elementary at June 30, 2007, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of the Charterholder.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Susie Daniels Charter Elementary as of June 30, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2007, on our consideration of Susie Daniels Charter Elementary internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Susie Daniels Charter Elementary's basic financial statements. The accompanying supplemental information 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 supplemental information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we express no opinion on them.

September 25, 2007
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Management's Discussion and Analysis

As management of Susie Daniels Charter Elementary (the "School") we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2007 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the Basic Financial Statements found on pages 8 and 22.

Financial Highlights

- At the end of the current fiscal year, unreserved fund deficit for the general fund was \$526,858.
- The liabilities of the School exceeded its assets at the close of the most recent fiscal year by \$525,368 (net deficit).
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund deficit of \$526,858.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the School's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected funding and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School that are principally supported by district, state, and federal funding (governmental activities). Basic instruction, exceptional instruction, and school administration are examples of the School's governmental activities.

The government-wide financial statements include only the School itself, which is a component unit of the School District of Broward County, Florida. The School District of Broward County, Florida includes the operations of the School in their operational results.

The government-wide financial statements can be found on pages 8 and 9 of this report.

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 School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the School are presented in governmental funds only.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains two individual government funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and federal grant fund, both of which are considered to be major funds.

The School adopts an annual appropriated budget for its entire operations. Budgetary comparison schedules have been provided to demonstrate compliance with this budget and can be found on page 24 and 25 of this report.

The basic governmental fund financial statements can be found on pages 10 - 13 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 14 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the School's financial position. In the case of the School, liabilities exceeded assets by \$525,368 for the year ended June 30, 2007.

This is the first year of operations of the School; therefore, comparative data is not available for the Management's Discussion and Analysis (MD&A). However, in future years, when prior-year information is available, a comparative analysis of government-wide data will be presented.

Susie Daniels Charter Elementary Statement of Net Assets

	Governmental Activities
	2007
ASSETS	
Current and other assets	\$ 221,624
Capital assets, net of accumulated depreciation	1,490
Total assets	<u>223,114</u>
LIABILITIES	
Current and other liabilities	<u>748,482</u>
NET ASSETS (DEFICIT)	
Invested in capital assets, net of related debt	1,490
Unrestricted (deficit)	<u>(526,858)</u>
Total net assets (deficit)	<u><u>\$ (525,368)</u></u>

At the end of the current fiscal year, the School reports a deficit balance for net assets. portion of the School's net assets (deficit) reflects its investment in capital assets (e.g., computer software), less any related debt used to acquire those assets that is still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

Governmental activities. As noted earlier, as this is the first year of operation for the School, there are no comparisons made to prior period fiscal years. Comparisons will be presented in future fiscal years.

**Susie Daniels Charter Elementary
Statement of Activities**

	Governmental Activities
	2007
Revenues:	
Program revenues:	
Charges for services	\$ 5,567
Operating grants and contributions	72,821
General revenues	
State passed through local school district	916,404
Other revenues	11,106
Contribution	47,068
Total revenues	1,052,966
Expenses:	
Basic instruction	499,366
Exceptional instruction	49,220
Guidance services	1,000
Media services	696
Staff development	142
Board of directors	270
School administration	354,445
Food services	30,181
Plant	468,014
Total expenses	1,403,334
Change in net assets	\$ (350,368)

Financial Analysis of the Government's Funds

As noted previously, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of The School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a School's net resources available for spending at the end of the fiscal year.

The general fund is the main operating fund of the School. At the end of the current fiscal year, unreserved fund deficit of the general fund was \$526,858.

General Fund Budgetary Highlights

Actual general fund revenues were greater than budgeted revenues by \$70,521. Budgeted expenditures were less than actual expenses by \$80,471.

Actual federal grant fund revenues and expenditures were the same as the final budgeted figures.

Capital Asset and Debt Administration

Capital assets. The School's investment in capital assets for its governmental activities as of June 30, 2007, amounts to \$1,490 (net of accumulated depreciation). This investment in capital assets includes computer software. Additional information on the School's capital assets can be found in Note C of this report.

Request for Information

This financial report is designed to provide a general overview of School's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to 2201 SW 42nd Avenue, West Park, FL 33023.

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

STATEMENT OF NET ASSETS

June 30, 2007

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash	\$ 142,178
Due from local school district	72,821
Due from other schools	1,125
Prepaid expenses	5,500
Total current assets	221,624
CAPITAL ASSETS	
Capital assets, net of accumulated depreciation	
Computer software	1,490
Total assets	223,114
LIABILITIES AND NET ASSETS (DEFICIT)	
LIABILITIES	
Accounts payable	406
Accrued payroll and payroll taxes	74,950
Due to operating company	478,626
Deferred revenue	194,500
Total liabilities	748,482
NET ASSETS (DEFICIT)	
Investment in capital assets	1,490
Unrestricted (deficit)	(526,858)
Total net assets (deficit)	\$ (525,368)

The accompanying notes are an integral part of this financial statement.

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

STATEMENT OF ACTIVITIES

For the year ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Basic instruction	\$ 499,366	\$ 5,189	\$ 72,821	\$ -	\$ (421,356)
Exceptional instruction	49,220	-	-	-	(49,220)
Guidance services	1,000	-	-	-	(1,000)
Media services	696	-	-	-	(696)
Staff development	142	-	-	-	(142)
Board of directors	270	-	-	-	(270)
School administration	354,445	-	-	-	(354,445)
Food services	30,181	378	-	-	(29,803)
Operation of plant	468,014	-	-	-	(468,014)
Total governmental activities	\$ 1,403,334	\$ 5,567	\$ 72,821	\$ -	(1,324,946)
		General revenues:			
					916,404
					11,106
					47,068
					974,578
					(350,368)
					(175,000)
					\$ (525,368)

The accompanying notes are an integral part of this financial statement.

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2007

	General Fund	Federal Grant Fund	Total Governmental Funds
ASSETS			
Cash	\$ 142,178	\$ -	\$ 142,178
Due from local school district	-	72,821	72,821
Due from other schools	1,125	-	1,125
Due from other funds	72,821	-	72,821
Prepaid expenses	5,500	-	5,500
Total assets	\$ 221,624	\$ 72,821	\$ 294,445
 LIABILITIES AND FUND BALANCES (DEFICIT)			
LIABILITIES			
Accounts payable	\$ 406	\$ -	\$ 406
Accrued payroll and payroll taxes	74,950	-	74,950
Due to operating company	478,626	-	478,626
Due to other funds	-	72,821	72,821
Deferred revenue	194,500	-	194,500
Total liabilities	748,482	72,821	821,303
 FUND BALANCES (DEFICIT)			
Unreserved (deficit)	(526,858)	-	(526,858)
Total liabilities and fund balances (deficit)	\$ 221,624	\$ 72,821	\$ 294,445

The accompanying notes are an integral part of this financial statement.

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT
OF NET ASSETS**

June 30, 2007

Fund balances (deficit) - total governmental funds \$ (526,858)

The net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Computer software, net of \$573 accumulated depreciation 1,490

Total net assets (deficit) of governmental activities \$ (525,368)

The accompanying notes are an integral part of this financial statement.

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

For the year ended June 30, 2007

	<u>General Fund</u>	<u>Federal Grant Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Federal passed through local school district	\$ -	\$ 72,821	\$ 72,821
State passed through local school district	916,404	-	916,404
Contribution	47,068	-	47,068
Other revenues	16,673	-	16,673
Total revenues	<u>980,145</u>	<u>72,821</u>	<u>1,052,966</u>
Expenditures			
Current:			
Basic instruction	425,972	72,821	498,793
Exceptional instruction	49,220	-	49,220
Guidance services	1,000	-	1,000
Media services	696	-	696
Staff development	142	-	142
Board of directors	270	-	270
School administration	354,445	-	354,445
Food services	30,181	-	30,181
Operation of plant	468,014	-	468,014
Fixed capital outlay	2,063	-	2,063
Total expenditures	<u>1,332,003</u>	<u>72,821</u>	<u>1,404,824</u>
Deficiency of revenues under expenditures	(351,858)	-	(351,858)
Fund balance (deficit) at July 1, 2006	(175,000)	-	(175,000)
Fund balance (deficit) at June 30, 2007	<u>\$ (526,858)</u>	<u>\$ -</u>	<u>\$ (526,858)</u>

The accompanying notes are an integral part of this financial statement.

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

For the year ended June 30, 2007

Net change in fund balances - total government funds \$ (351,858)

The change in net assets reported for governmental activities
in the statement of activities is different because:

Governmental funds report fixed 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.

Total fixed capital outlay	\$	2,063	
Less: depreciation		<u>573</u>	
			1,490

Change in net assets of governmental activities \$ (350,368)

The accompanying notes are an integral part of this financial statement.

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Susie Daniels Charter Elementary, (the "School"), is a division of Educational Charter Foundation of Florida, Inc., which is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter school provides education services to students in grades kindergarten through fifth. The governing body of the School is the Board of Directors (the "Board"), which is composed of three members. The financial information presented is that of Susie Daniels Charter Elementary only. The entire workforce is provided by the operating company; therefore, all benefits are provided by the operating company.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, which is the School Board of Broward County, Florida (the "District"). The current charter is effective until June 30, 2011, and may be renewed in increments of five years by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. Susie Daniels Charter Elementary is considered a component unit of the School Board of Broward County, Florida.

2. Government-wide and fund financial statements

The government-wide financial statements consist of a statement of net assets and a statement of activities. These statements report information on all of the nonfiduciary activities of the School. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business type activities.

Net assets, the difference between assets and liabilities, as presented in the statement of net assets, are subdivided into three categories: amounts invested in capital assets; restricted net assets; and unrestricted net assets. Net assets are reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations of other governments, or enabling legislation.

**Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements (continued)

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues, and displays the extent to which each function contributes to the change in net assets for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function. Indirect expenses are costs the School has allocated to various functions.

Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the School's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. Both of the School funds were deemed to be major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

3. 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 recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period, or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as an expenditure only when payment is due.

**Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement focus, basis of accounting, and financial statement presentation (continued)

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The School reports the following major governmental funds:

General Fund - the general operating fund of the School. It is used to account for all financial resources not required to be accounted for in another fund.

Federal Grant Fund - to account for the proceeds of federal grants received through the District that are legally restricted to expenditures for specified purposes.

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

4. Cash

Cash is made up of cash on hand at the School and/or a checking account held at a financial institution. The School has no cash equivalents.

5. Receivables

The School's receivables consist of amounts due from the local school district and due from other schools. The School's management determined that 100% of receivables are fully collectible. Therefore, no allowance for doubtful accounts has been provided.

6. Interfund receivables and payables

Activity between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds. The amount due to the general fund from other governmental funds, at June 30, 2007, is \$72,821.

**Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Capital assets

Capital assets are reported in the applicable governmental columns on the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than \$500 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values 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 assets lives are not capitalized.

Capital assets of the School are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Computer software	5

8. Revenue sources

Revenues for current operations are received primarily from the State of Florida through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect revised calculations by the FDOE under the Florida Education Finance Program and actual weighted FTE students reported by the School during designated FTE student survey periods.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have eligibility requirements whereby the issuance of grant funds is withheld until such eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

**Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Use of estimates

The process of preparing financial statements in conformity with accounting standards generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relates to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE B - CASH

Custodial credit risk - Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The School mitigates the custodial risk for deposits by only doing business with large national banks. At June 30, 2007, the School had a bank balance of \$220,236. Of the bank balance, \$120,236 was not insured by the federal deposit insurance corporation (FDIC).

NOTE C - CAPITAL ASSETS

Changes in capital assets are as follows:

	Balance at July 1, 2006	Additions	Deletions	Balance at June 30, 2007
Capital assets depreciated:				
Computer software	\$ -	\$ 2,063	\$ -	\$ 2,063
Less accumulated depreciation:				
Computer software	-	\$ 573	-	573
Total governmental activities capital assets, net	<u>\$ -</u>			<u>\$ 1,490</u>

Depreciation expense for the year ended June 30, 2007 was charged to functions of the School as follows:

Basic instruction	<u>\$ 573</u>
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**Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE D - CONCENTRATIONS

Revenue sources

As stated in Note A-8, the School receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources:

Sources	Amounts
School Board of Broward County:	
Base funding	\$ 688,193
Discretionary lottery	6,371
Discretionary millage	61,053
McKay Scholarship (06-07)	(3,744)
Supplemental academic instruction	37,872
Reading allocation	773
ESE allocation	20,894
Class size reduction	84,297
Transportation	366
Safe schools	4,152
Instructional materials	15,150
Library media	925
Science lab	253
Administrative fee	(45,828)
Subtotal	870,727
Capital outlay	45,677
Total passed through School Board of Broward County	916,404
Other revenue:	
Title I	72,821
Contribution	47,068
Fundraising	5,189
Other	11,484
	\$ 1,052,966

**Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE E - COMMITMENTS AND CONTINGENCIES

1. Operating agreement

The School entered into an agreement with Imagine Schools, Inc. (the "operating company") for management services, commencing on November 16, 2006 effective through the duration of the School's charter. This agreement calls for an indirect cost allocation equal to 12% of revenues, as defined in the agreement, to be paid in variable monthly payments. Current year management fees charged to operations totaled \$118,686.

In the event there are not sufficient funds to pay operating expenses, the operating company will provide operating advances to cover such shortfalls. The operating company shall be reimbursed for such advances on the first date of each month in which funds reside in the School's operating account for which not otherwise reserved by the operating budget. At the request of the operating company, the Board shall execute a promissory note. A promissory note was not executed as of the audit report date.

2. Facilities sub-lease

The operating company entered into a lease agreement with a third party for the facility where the School is located. The School entered into a sub-lease with the operating company for this facility. The School has committed to pay annual base rent in the amount of \$290,000, payable in equal monthly installments of one-twelfth the annual rent to the operating company, escalating 1.5% over CPI annually. The term of the sub-lease commences on July 1, 2006 and ends May 31, 2031 however the sublease can automatically terminate upon the expiration or termination of the lease for any reason. Current year rental expense charged to operations totaled \$290,000, of which \$47,068 was paid by the operating company on behalf of the School and recognized as a contribution for the year ended June 30, 2007.

The future minimum sub-lease obligations are as follows:

Fiscal year ending June 30:	
2008	\$ 301,890
2009	301,890
2010	301,890
2011	301,890
2012	301,890
2013-2017	1,509,450
2018-2022	1,509,450
2023-2027	1,509,450
2028-2031	<u>1,207,560</u>
Total	<u>\$ 7,245,360</u>

**Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE F - RELATED PARTIES

1. Due to operating company

The School has entered into multiple agreements with the operating company. The due to operating company activity consists of the following:

	Management fees and other services	Working capital	Development allocation	Total
Balance at July 1, 2006	\$ -	\$ -	\$ 175,000	\$ 175,000
Invoiced	231,433	-	-	231,433
Operating advances	-	258,641	75,000	333,641
Payments	(231,433)	-	(30,015)	(261,448)
Balance at June 30, 2007	<u>\$ -</u>	<u>\$ 258,641</u>	<u>\$ 219,985</u>	<u>\$ 478,626</u>

2. Due from other schools

The School funded shortfalls for other schools, by advancing them funds during the current year. The due from other schools consists of the following at June 30, 2007:

Day School at Coral Springs \$ 1,125

3. Sub-lease with operating company

The School entered into an agreement with the operating company to lease the facility where the School is located (see Note E-2). The lease requires an annual payment of \$290,000, which escalates 1.5% over CPI annually. The lease expense charged to operations was \$290,000 for the year ended June 30, 2007, of which \$47,068 was paid by the operating company on behalf of the School and recognized as a contribution.

4. Operating advances

The operating company made advances of \$175,000 to the School prior to July 1, 2006 to cover costs associated with opening the school. During the year ended on June 30, 2007, the operating company made advances of \$333,641 to cover shortfalls in funds needed to pay operating expenses. The operating company considers \$250,000 of the advances to be a development allocation but all the advances are subject to repayment per the terms in the operating agreement for advances (see Note E-1).

**Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2007

NOTE G - RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. Under the property insurance policy, the School's liability is \$25,000 per occurrence. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the current year.

NOTE H - SUBSEQUENT EVENT

Subsequent to the School's year end, the School entered into an equipment lease agreement with Relational, LLC. Relational, LLC will lease to the School various new computer equipment for thirty-six consecutive months and at monthly payments of \$2,002.

NOTE I - GOING CONCERN

The accompanying financial statements have been prepared in conformity with accounting principals generally accepted in the United States of America, which contemplates the continuation of the School as a going concern. For the year ended June 30, 2007, the School has sustained a deficiency of revenues under expenditures of \$351,858 in the general fund and as of June 30, 2007, the combined ending fund deficit totaled \$526,858. The ability of the school to continue as a going concern is based solely upon the decisions made by the operating company. Amounts due to the operating company at June 30, 2007 totaled \$478,626. The operating company has agreed to advance the School funds to cover shortfalls in funds to pay operating expenses (see Note E-1).

REQUIRED SUPPLEMENTAL INFORMATION

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND

For the year ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
State passed through local school district	\$ 1,610,750	\$ 901,262	\$ 916,404	\$ 15,142
Contribution	-	-	47,068	47,068
Other revenues	-	8,362	16,673	8,311
Total revenues	<u>1,610,750</u>	<u>909,624</u>	<u>980,145</u>	<u>70,521</u>
Less: Non-profit expense				
NFP Administrative expenses	-	10,000	-	10,000
	-	10,000	-	10,000
Net school operating revenue	<u>1,610,750</u>	<u>899,624</u>	<u>980,145</u>	<u>80,521</u>
Expenses				
Salaries and benefits	907,670	646,780	643,741	3,039
Other school service expense	-	23,000	30,181	(7,181)
Direct educational expense	179,445	68,913	37,636	31,277
General and administrative	109,206	85,700	28,520	57,180
Facility expense	134,400	153,440	180,077	(26,637)
Faculty development	5,000	5,000	142	4,858
Marketing expense	-	-	1,530	(1,530)
School operating expenses	<u>1,335,721</u>	<u>982,833</u>	<u>921,827</u>	<u>61,006</u>
Start-up expenses		30,000		30,000
Facility use fee	234,000	290,000	290,000	-
Indirect cost allocation	175,134	108,151	118,686	(10,535)
Total expenses	<u>1,744,855</u>	<u>1,410,984</u>	<u>1,330,513</u>	<u>80,471</u>
Change in net assets (budgetary basis)	<u>(134,105)</u>	<u>(511,360)</u>	<u>(350,368)</u>	<u>160,992</u>
Adjustments to conform with GAAP:				
Capital outlay expenditures	-	-	(2,063)	(2,063)
Depreciation expense	-	-	573	573
Excess (deficiency) of revenue over (under) expenditures (GAAP basis)	<u>(134,105)</u>	<u>(511,360)</u>	<u>(351,858)</u>	<u>159,502</u>
Fund balance (deficit) at July 1, 2006	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
Fund balance (deficit) at June 30, 2007	<u>\$ (309,105)</u>	<u>\$ (686,360)</u>	<u>\$ (526,858)</u>	<u>\$ 159,502</u>

See accompanying notes to required supplemental information.

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - FEDERAL GRANT FUND

For the year ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
State passed through local school district	\$ -	\$ 72,821	\$ 72,821	\$ -
Expenses				
Salaries and benefits	-	72,821	72,821	-
Excess (deficiency) of revenue over (under) expenditures (GAAP basis)	-	-	-	-
Fund balance (deficit) at July 1, 2006	-	-	-	-
Fund balance (deficit) at June 30, 2007	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to required supplemental information.

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2007

NOTE A - BUDGETARY INFORMATION

1. Budgetary basis of accounting

The School's annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the Board. Since the budgetary basis differs from generally accepted accounting principles ("GAAP"), budget and actual amounts in the accompanying required supplementary information are presented on the budgetary basis. A reconciliation to excess (deficiency) of revenues over (under) expenditures presented in conformity with GAAP is set forth in the adjustments to the required supplementary information. The budget is presented for the year ended June 30, 2007 has been amended according to Board procedures. During the fiscal year, expenditures were controlled at a line item level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general fund and each major fund for which a legally adopts budget exists.

SUPPLEMENTAL INFORMATION

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

SCHEDULE OF FUNCTIONAL EXPENDITURES - GENERAL FUND

For the year ended June 30, 2007

	Basic Instruction	Exceptional Instruction	Guidance Services	Media Services	Staff Development	Board of Directors	School Administration	Food Services	Operation of plant	Fixed Capital Outlay	Total
Electricity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,469	\$ -	\$ 84,469
Food	-	-	-	-	-	-	-	30,181	-	-	30,181
Gasoline	-	-	-	-	-	-	-	-	185	-	185
Employee benefits	69,938	6,257	-	696	-	-	22,657	-	-	-	99,548
Insurance	-	-	-	-	-	-	-	-	29,450	-	29,450
Management fee	-	-	-	-	-	-	118,686	-	-	-	118,686
Marketing	-	-	-	-	-	-	1,530	-	-	-	1,530
Miscellaneous	2,410	-	-	-	-	-	2,895	-	-	-	5,305
Non-professional services	-	-	-	-	-	-	-	-	265	-	265
Out of county travel	1,618	-	-	-	-	-	1,550	-	-	-	3,168
Printing	-	-	-	-	-	-	2,704	-	-	-	2,704
Professional services	-	8,925	-	-	142	270	5,596	-	-	-	14,933
Rentals	-	-	-	-	-	-	-	-	290,000	-	290,000
Repairs and maintenance	-	-	-	-	-	-	5,820	-	43,869	-	49,689
Salaries	306,626	30,596	-	-	-	-	173,898	-	-	-	511,120
Social security	20,619	2,030	-	-	-	-	10,424	-	-	-	33,073
Supplies	10,756	1,412	1,000	-	-	-	8,685	-	3,141	-	24,994
Telephone	-	-	-	-	-	-	-	-	16,635	-	16,635
Computer hardware	997	-	-	-	-	-	-	-	-	-	997
Computer software	13,008	-	-	-	-	-	-	-	-	2,063	15,071
	<u>\$ 425,972</u>	<u>\$ 49,220</u>	<u>\$ 1,000</u>	<u>\$ 696</u>	<u>\$ 142</u>	<u>\$ 270</u>	<u>\$ 354,445</u>	<u>\$ 30,181</u>	<u>\$ 488,014</u>	<u>\$ 2,063</u>	<u>\$ 1,332,003</u>

Susie Daniels Charter Elementary
(A Division of Educational Charter Foundation of Florida, Inc.)

SCHEDULE OF FUNCTIONAL EXPENDITURES - FEDERAL GRANT FUND

For the year ended June 30, 2007

	<u>Basic Instruction</u>
Salaries	<u>\$ 72,821</u>

Partners:

John R. Hopkins

James A. Wright, Jr.

James S. LaHam

Ross A. Whitley

W. Ed Moss, Jr.

Phillip J. Hayes

Brian L. Nemeroff

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

To the Board of Directors
Susie Daniels Charter Elementary
West Park, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Susie Daniels Charter Elementary (the "School"), a component unit of the School District of Broward County, Florida and a division of Educational Charter Foundation of Florida, Inc. (the "Charterholder") as of and for the year ended June 30, 2007, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 25, 2007. 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.

BREVARD OFFICE

8035 Spyglass Hill Rd.

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480 N. Orlando Ave.

Suite 218

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phone 407-644-5811

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Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Susie Daniel Charter Elementary's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying management letter dated September 25, 2007, as items 07-1 and 07-3.

We also noted certain matters that we have reported to management of Susie Daniel Charter Elementary in the accompanying management letter dated September 25, 2007.

Susie Daniel Charter Elementary's response to our findings identified in our audit is described in the accompanying letter of management response. We did not audit Susie Daniel Charter Elementary's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, the State of Florida Office of the Auditor General, other regulatory agencies of federal and state governments, and the School Board of Broward County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

September 25, 2007
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Partners:

John R. Hopkins
James A. Wright, Jr.
James S. LaHam
Ross A. Whitley
W. Ed Moss, Jr.
Phillip J. Hayes
Brian L. Nemeroff

MANAGEMENT LETTER

To the Board of Directors
Susie Daniels Charter Elementary
West Park, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Susie Daniels Charter Elementary, as of and for the fiscal year ended June 30, 2007 and have issued our report thereon dated September 25, 2007.

We issued our report of internal controls over financial reporting and on compliance and other matters dated September 25, 2007. Disclosures in that report, if any, should be considered in conjunction with this management letter.

The discussion required by the rules of the Auditor General follows:

1. There were no significant findings and recommendations made in the preceding annual financial audit report, not otherwise addressed in the auditors report pursuant to Rule 10.856(2)(b)(2).
2. In connection with our audit, we determined that the School met the conditions described in Section 218.503(1)(e), Florida Statutes. The School reported a total net deficit, an unrestricted net deficit and a deficit fund balance of \$526,858 as of June 30, 2007. The conditions are further discussed at comment 07-4 of this report.
3. See attached, recommendations, to address deteriorating financial conditions disclosed pursuant to Section 218.39(5), Florida Statutes.
4. Based on our professional judgment, there was one matter inconsequential to the financial statements considering both quantitative and qualitative factors, including the following:
 - a. Violations of laws, rules, regulations, contracts, and grant agreements or abuse that: (1) have occurred, or are likely to have occurred; and (2) were discovered within the scope of the financial audit.
 - b. Improper expenditures discovered within the scope of the financial audit.
 - c. Deficiencies in internal control of inconsequential effect in relation to the financial statements and other recommendations to improve present financial management, accounting procedures, and internal controls.

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5. The official title of the School is *Susie Daniels Charter Elementary*, which is a division of Educational Charter Foundation of Florida, Inc. which is a not-for-profit corporation organized pursuant to Chapter 617, Florida statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes.

This management letter is intended for the information of Susie Daniels Charter Elementary's management, the State of Florida Office of the Auditor General, other regulatory agencies of federal and state governments, and the School Board of Broward County, Florida, and it is not intended to be and should not be used by anyone other than these specified parties.

September 25, 2007
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Current Year Recommendations

07-1 Student attendance

Criteria: The Florida Department of Education requires that the original attendance record keeping device should not be changed or if records are maintained electronically, that all changes be logged, signed, and dated.

Condition: The School did not keep a sign in / out sheet for their records so they could keep track if a student came in late or had to leave the School for any reason.

Cause: The School's front office administration did not implement a system until January 2007.

Effect: The School is not in compliance with the Florida Department of Education's requirements.

Auditors' recommendation: We recommend that the School perform various inspections of the student attendance record keeping throughout the year as well as implement a sign in / out sheet from the beginning through the end of the year to ensure that its policies and procedures are being followed.

07-2 Purchase card transactions

Criteria: The School is required to keep supporting documentation on all purchases made with the School's purchase card, regardless of the dollar value.

Condition: Out of a sample of 93 purchase card transactions, 18 transactions did not have supporting documentation.

Effect: We were unable to determine whether the exceptions discussed above were eligible school expenses.

Auditors' recommendations: We recommend that the School implement a policy of examining prepaid Visa card transactions regularly to ensure purchases have the appropriate documentation.

Current Year Recommendations

07-3 Insurance requirements

Criteria: The Charter School agreement requires that the School obtain property insurance with a maximum deductible of \$1,000 per occurrence. It also requires that the School have automobile insurance that cover's any owned vehicles.

Condition: Upon review of the School's insurance policy, it was noted that the deductible for Property Insurance was \$25,000 per occurrence and the automobile insurance did insure all of the School's vehicles.

Cause: Charter agreement requirements were not followed when determining insurance policies.

Effect: The School is not in compliance with their charter agreement.

Auditors' recommendation: In order for the School to comply with the charter agreement, we recommend the limit for property insurance be changed and that the all owned vehicles be added to the automobile insurance. We also recommend that the School regularly review their agreements to ensure that they remain in compliance.

07-4 Financial condition

Criteria: Section 218.503(1), Florida Statutes, states that local governmental entities and district school boards shall be subject to review and oversight by the Governor or the Commissioner of Education if the School maintains an unreserved or total fund balance or an unrestricted or total net assets deficit, as reported on the balance sheet or statement of net assets, for which sufficient resources of the local governmental entity, as reported on the balance sheet or statement of net assets on the general purpose or fund financial statements, are not available to cover the deficit.

Condition: The School reported a total net deficit, an unrestricted net deficit and a deficit fund balance of \$526,858 as of June 30, 2007.

Cause: The School's enrollment was not great enough to generate the revenues sufficient to cover the expenses associated with the School's operations.

Effect: It was determined that the School met the conditions described in Sections 218.503(1)(e), Florida Statutes.

Auditors' recommendations: The School should continue to monitor the deficit and establish a plan to eliminate the deficit as soon as possible.



Current Year Audit Recommendations Response

07-1 Student Attendance

In reference to the school not keeping a sign-in/sign-out log, the school has put in place procedures to document all sign-in/sign-outs and to have a designated area to store the information on a monthly basis. In the event that these items will need to be retrieved in the future, we are confident that we will be able to provide the necessary documentation and be in compliance with Florida Department of Education policies and procedures.

07-2 Purchase Card Transactions

In regards to not having supporting documentation for 18 instances of usage of the pre-paid Visa card, they can be attributed to several reasons.

- Pitney Bowes automatically withdraws money from the Visa account and does not provide a receipt for that.
- We have on-line purchases, such as Speech material from Super Duper Publications and they did not provide a receipt or invoice for the on-line transaction. Also ASCD (Association for Supervision and Curriculum Development), which is the professional development organization for educational leaders was a visa purchase that did not receive a receipt for.

These are just examples as to why some purchases were not receipted, however, in speaking with my Business Office Administrator, we will derive a plan to appropriately document all purchases made from the prepaid Visa card.

07-3 Insurance Requirements

Regarding the Charter agreement requirements, we plan to have a discussion between Imagine Schools, Inc. and The School Board of Broward County to possibly amend the amount for the deductible in the charter agreement to reflect a lesser amount per occurrence. We are hopeful that both sides can come to an amenable agreement to make Susie Daniel Charter Elementary in compliance with the charter agreement.

Richard Garrick, M.Ed.-Principal

Imagine Schools Susie Daniel Charter Elementary "Home of the Soaring Eagles"

2201 SW 42nd Ave. West Park, FL 33023 • t 954.894.2826 • f 954.894.5357 • www.imagineschools.com



07-4 Financial Condition

The school is arranging with Imagine Schools to develop a financial recovery plan to eliminate debt and keep the school a going concern.

Respectfully Submitted,

A handwritten signature in black ink that reads 'Richard Garrick'.

Richard Garrick
Principal