
BROWARD COMMUNITY CHARTER SCHOOL, INC.

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2009

MARK ESCOFFERY P.A.
CERTIFIED PUBLIC ACCOUNTANT

BROWARD COMMUNITY CHARTER SCHOOL, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of Broward
Community Charter School, Inc.
Coral Springs, Florida

I have audited the accompanying Financial Statements of the governmental activities, and each major fund, of Broward Community Charter School, Inc. ("the School") a component unit of The School Board of Broward County as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements as listed in the foregoing Table of Contents. These financial statements are the responsibility of the Management of the School. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 of America. Those standards require that I 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of the School as of June 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 21, 2009, on my consideration of the School's internal control over financial reporting and my 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 my 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 my audit.

To the Board Members of Broward
Community Charter School, Inc.
Coral Springs, Florida
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The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplemental information required by the Governmental Auditing Board. I have applied certain limited procedures, which consisted principally of inquiries of Management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the financial statements that collectively comprised the School's basic financial statements. The accompanying Supplementary Schedule of Expenditures, Budget and Actual-Governmental Fund (General Fund) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Mark Escoffery, P.A.

Palm Beach Gardens, Florida
September 21, 2009

BROWARD COMMUNITY CHARTER SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

Our discussion and analysis of Broward Community Charter School, Inc.'s ("the School") financial program provides an overview of the School's financial activities for the year ended June 30, 2009.

Because the information contained in this discussion is intended to highlight significant transactions, it should be read in conjunction with the School's financial statements which begin on page 7.

For financial statement purposes the School is considered a component unit of The School Board of Broward County which is a primary government entity for financial reporting. The School has included separate statements for the Governmental Fund Balance Sheet and the statement of Revenue, Expenditures and Changes in Fund Balance. The Statement of Net Assets and the Statement of Activities report provide information on the activities of the School. The Fund Financial Statements reflect financing activities of the School by providing information on inflows and outflows of spendable resources.

NON FINANCIAL HIGHLIGHTS

The School's daily enrollment for fiscal year ended June 30, 2009 was 135 students. This was approximately 10 students more than budgeted. The School expects to have an enrollment of 145 students for the school year 2009-2010.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's financial position. Included in these statements are all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are recorded when received.

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 government's net assets changed during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

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.

**BROWARD COMMUNITY CHARTER SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont'd.)

Fund Financial Statements (Cont'd.)

Governmental Funds – All of the School's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's governmental activities and the basic services it provides.

Notes to the Financial Statements

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 12-16 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. The School's assets exceeded liabilities by \$13,645 at June 30, 2009.

NET ASSETS

	<u>JUNE 2009</u>	<u>JUNE 2008</u>
Current and Other Assets	\$ 48,195	\$ 93,137
Capital Assets	443	13,949
Total Assets	<u>\$ 48,638</u>	<u>\$ 107,086</u>
Other Liabilities	\$ 34,993	\$ 67,270
Total Liabilities	<u>\$ 34,993</u>	<u>\$ 67,270</u>
Investment in Capital Assets	\$ 443	\$ 13,949
Unrestricted	13,202	25,867
Total Net Assets	<u>\$ 13,645</u>	<u>\$ 39,816</u>

Revenues from governmental activities totaled \$871,777 for the year ended June 30, 2009. The main source of revenue is from Florida Education Finance Program (FEFP). This revenue represented approximately 91.1% of total governmental revenue.

**BROWARD COMMUNITY CHARTER SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd.)

<u>Revenue Source</u>	<u>6/30/09</u>	<u>% of Total 6/30/09</u>	<u>6/30/08</u>	<u>% of Total 6/30/08</u>
State Sources	\$ 859,882	93.1	\$ 975,774	90.8
Local Sources	52,353	5.7	100,869	9.2
Federal Sources	11,895	1.2	-	-
TOTAL	\$ 924,130	100.0	\$ 1,076,643	100.0

Local revenue sources are primarily after care revenue. Increases in levels of expenses for major functions of the School are shown in the following table:

<u>Expense</u>	<u>6/30/09</u>	<u>% of Total 6/30/09</u>	<u>6/30/08</u>	<u>% of Total 6/30/08</u>
Instruction	\$ 448,998	47.2	\$ 626,198	54.4
ESE Instructional Curriculum Development	3,848	.4	28,682	2.5
Board Services	14,734	1.6	9,063	.8
School Administration	159,720	16.8	114,356	10.0
General Administration	39,155	4.1	44,100	3.8
Facilities Acquisition	111,818	11.8	102,646	9.0
Fiscal Services	74,804	7.9	40,307	3.5
Food Services	3,159	.3	1,260	.1
Pupil Transportation	720	.1	6,204	.5
Operation of Plant	52,464	5.5	93,387	8.1
Maintenance of Plant	2,876	.3	8,291	.7
Technology Services	17,889	1.9	3,011	.3
Depreciation	13,506	1.4	13,506	1.2
TOTAL	\$ 950,301	100.0	\$ 1,149,281	100.0

BUDGETARY HIGHLIGHTS

State sources were \$26,828 more than budget because of higher enrollment. Local source revenue was \$30,753 more than budgeted because internal funds generated more revenue than anticipated.

School Expenditures were more than budgeted by approximately \$111,000, primarily because of payroll related expenses for instructional and administrative staff.

**BROWARD COMMUNITY CHARTER SCHOOL, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

BUDGETARY HIGHLIGHTS (Cont'd.)

Total fund balance of the General Fund was \$13,202 at June 30, 2009.

CAPITAL ASSETS

The School's investment in capital assets at June 30, 2009 was \$443 (net of depreciation). The investment includes leasehold improvements and furniture and equipment. The following is a summary of capital assets balances at June 30, 2009.

Leasehold Improvements	\$ 70,290
Furniture and Equipment	33,046
	<hr/> 103,336
Less Accumulated Depreciation	102,893
	<hr/> \$ 443

PROSPECTS FOR THE FUTURE

The School continues to receive funds from State sources in the form of Florida Education Finance Program Fees (FEFP). The fees are evaluated in October and February and are based on student enrollment.

- . The Administration believes that the School, with guidance from the new Management Company, will achieve a higher rating from the Department of Education.
- . The Administration believes that the School will continue to be successful and contribute to the educational requirements of Broward County.

BROWARD COMMUNITY CHARTER SCHOOL, INC.
Governmental Fund (General Fund) Balance Sheet/Statement of Net Assets
June 30, 2009

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
ASSETS			
Cash	\$15,036		\$15,036
Accounts Receivable	28,048		28,048
Prepaid expenses	5,111		5,111
Capital Assets		443	443
Total Assets	\$48,195	\$443	\$48,638
LIABILITIES			
Accounts Payable	\$7,797		7,797
Accrued Salaries	27,196		27,196
Total Liabilities	34,993		34,993
FUND BALANCE/NET ASSETS			
Undesignated	13,202	(13,202)	
Total Liabilities and Fund Balance	\$48,195		
Net Assets			
Investment in capital assets		443	443
Unrestricted		13,202	13,202
Total Net Assets		\$13,645	\$13,645

The accompanying notes are an integral part of this statement

BROWARD COMMUNITY CHARTER SCHOOL, INC.
Reconciliation of the Governmental Fund (General Fund)
Balance Sheet To The Statement of Net Assets
June 30, 2009

Fund Balance- Governmental Funds	\$13,202
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds

Governmental capital assets	\$103,336	
Less accumulated depreciation	<u>(102,893)</u>	
		443

Net Assets of Governmental activities	<u><u>\$13,645</u></u>
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The accompanying notes are an integral part of this statement

BROWARD COMMUNITY CHARTER SCHOOL, INC.
Statement of Governmental Fund (General Fund) Revenues, Expenditures and
Changes in Fund Balance/Statement of Activities
Year ended June 30, 2009

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES:			
State sources	\$859,882		\$859,882
Local sources	52,353		52,353
Federal sources	11,895		11,895
TOTAL REVENUES	<u>924,130</u>	<u> </u>	<u>924,130</u>
EXPENDITURES/EXPENSES			
Instruction	448,998		448,998
ESE Instructional	6,610		6,610
Curriculum Development	14,734		14,734
Board Services	3,848		3,848
School Administration	159,720		159,720
General Administration	39,155		39,155
Food Services	3,159		3,159
Fiscal Services	74,804		74,804
Facilities Acquisition	111,818		111,818
Pupil Transportation	720		720
Operation of Plant	52,464		52,464
Plant Maintenance	2,876		2,876
Technology Services	17,889		17,889
Capital Outlay			
Depreciation		13,506	13,506
TOTAL EXPENSES	<u>936,795</u>	<u>13,506</u>	<u>950,301</u>
EXCESS OF EXPENDITURES OVER REVENUES	(12,665)	(13,506)	(26,171)
FUND BALANCE/NET ASSETS	25,867	13,949	39,816
End of Year	<u>\$13,202</u>	<u>\$ 443</u>	<u>\$13,645</u>

The accompanying notes are an integral part of this statement

BROWARD COMMUNITY CHARTER SCHOOL, INC.
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
of Governmental Fund (General Fund) To The
Statement of Activities
June 30, 2009

Net Changes in Fund Balances- Governmental Funds (\$12,665)

Amounts reported for governmental activities in the statement of net assets are different because:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets			
Less current year depreciation	<u>(13,506)</u>		<u>(13,506)</u>

Change in Net Assets of Governmental Activities (\$26,171)

The accompanying notes are an integral part of this statement

BROWARD COMMUNITY CHARTER SCHOOL, INC.
Statement of Revenues, Expenditures and Changes
In Fund Balance-Budget (GAAP Basis) and Actual
Governmental Fund (General Fund) Type
Year Ended June 30, 2009

	Governmental Funds		
	Original and Final Budget	Actual	Variance
REVENUES:			
State sources	\$833,054	\$859,882	\$26,828
Local sources	21,600	52,353	30,753
Federal Sources		11,895	11,895
TOTAL REVENUES	<u>854,654</u>	<u>924,130</u>	<u>69,476</u>
EXPENDITURES:			
Instruction	371,429	448,998	77,569
ESE Instructional	8,832	6,610	(2,222)
Curriculum Development	7,500	14,734	7,234
Instructional staff training	2,000		(2,000)
Board Services	6,972	3,848	(3,124)
General Administration	37,508	39,155	1,647
School Administration	124,219	159,720	35,501
Food Services		3,159	3,159
Fiscal Services	95,840	74,804	(21,036)
Facilities Acquisition	104,520	111,818	7,298
Pupil Transportation		720	720
Operation of Plant	75,541	52,464	(23,077)
Plant Maintenance		2,876	2,876
Central Services	5,186		
Technology Services	4,500	17,889	13,389
Capital Outlay			
EXPENDITURES	<u>\$844,047</u>	<u>\$936,795</u>	<u>\$97,934</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$10,607</u>	<u>(12,665)</u>	<u>(\$28,458)</u>
Fund Balance, beginning of year		<u>25,867</u>	
Fund balance, end of year		<u>\$13,202</u>	

The accompanying notes are an integral part of this statement

**BROWARD COMMUNITY CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2009**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Broward Community Charter School, Inc. (“the School”) was established as a nonprofit organization in September 2003 under the laws of the State of Florida and is the reporting entity.

The School operates as a Charter School pursuant to a Charter School Contract (“the Contract”) with The School Board of Broward County, Florida. Under the Contract the School provides an education to children, from Kindergarten through the fifth grade, who reside in Broward County in and around the City of Coral Springs. For financial statement purposes the School is considered a component unit of The School Board of Broward County which is a primary government entity for financial reporting.

The School Board of Broward County received 5% of the Florida Education Finance Program (FEFP) revenue as an administrative fee.

The Contract is effective through June 30, 2014. The Contract requires The School Board to provide the School’s primary source of funding based upon the number of full-time equivalent students (FTES) registered at the School.

The School is a tax-exempt organization under 501(C)(3) of the Internal Revenue Code.

The School’s financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for school districts through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

Basic Financial Statements

The School’s basic financial statements are the Statements of Net Assets and the Statement of Activities. All the activities of the School are classified as governmental type activities. There are no business type activities of the School. All the School’s governmental activities are included in the general fund. There are no other major or non major funds. In the Statement of Net Assets, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The School’s net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The Statement of Activities reports both the gross and net cost of each of the School’s functions. The functions are also supported by government revenues such as Florida Education Finance Program (FEFP), Capital Outlay Funds and Federal Grants. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants

BROWARD COMMUNITY CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS (Cont'd.)
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Basic Financial Statements (cont'd.)

Program revenues must be directly associated with the function (after care and youth services, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounting and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

The governmental type activities in the financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. When both restricted and unrestricted resources are available for use, it is the policy of the School to use restricted resources first, then unrestricted resources as they are needed.

Measurement Focus

The accounting and financial reporting treatment is determined by applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet and operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net assets.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financial uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

BROWARD COMMUNITY CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS (Cont'd.)
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles include the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that subject the School to concentrations of credit risk include cash. While the School attempts to limit its financial exposure, its deposit balances may at times exceed federally insured limits. The School has not experienced any losses on such balances.

Cash deposits are held at banks qualified as public depositories under Florida law.

Contributed Services and Facilities

The School does not recognize any support, revenue or expense from services contributed by individual volunteers since no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of time to the School's program services.

Budgetary Basis of Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year expenditures were controlled at the object level (i.e. salaries, purchased services, and capital outlay).

Capital Assets

Capital assets purchased or acquired with an original cost of \$750 or more are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Leasehold Improvements	10 Years
Furniture and Equipment	5-10 Years

BROWARD COMMUNITY CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS (Cont'd.)
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 2 – CAPITAL ASSETS

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

	Balance Beginning	Additions	Disposals	Balance Ending
Leasehold Improvements	\$ 70,290	\$ -	\$ -	\$ 70,290
Furniture & Equipment	33,046	-	-	33,046
	103,336	-	-	103,336
Less Accumulated Depreciation	89,387	13,506	-	102,893
NET CAPITAL ASSETS	\$ 13,949	\$ 13,506	\$ -	\$ 443

Depreciation expense of \$13,506 was unallocated during the year ended June 30, 2009.

NOTE 3 – CONTRACTS

The School has a contract with a company to manage the operations of the School and to provide employee leasing services. The term of the contract is for 5 years and expires on June 30, 2013. Under the terms of the Contract the company received 12% of revenues of the School. Fees paid under this contract for the year ended June 30, 2009 were approximately \$75,000.

NOTE 4 – RELATED PARTY TRANSACTIONS

The School has the same Board of Directors as two other Charter Schools that operate in the same area: Broward Community Charter Middle School, Inc. ("BCM") and Broward Community Charter School West, Inc. ("BCW").

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Lease Agreement

The School leased its administrative and classroom facilities under a three year non cancelable operating lease that expires in June 2009. Annual rental expenses were approximately \$112,000 for the year ended June 30, 2009. Two one year lease options are available to the School. Minimum payments under this lease are as follows assuming the School exercises the option years:

June 30,		
	2010	\$ 158,000
	2011	163,000
		<u>\$ 321,000</u>

BROWARD COMMUNITY CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS (Cont'd.)
FOR THE YEAR ENDED JUNE 30, 2009

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Lease Agreement (Cont'd.)

The School received \$44,000 from BCM during the year ended June 30, 2009, for shared lease expenses.

Risk Management

The School is exposed to various risks of loss related to theft, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The School purchases commercial insurance for all material risks of loss to which the School is exposed, including general liability, property, auto and workers compensation. A review of the last two years reveals that settled claims have not exceeded insurance coverage.

The School receives funding from the State of Florida based on the number of full time equivalent (FTE) students who attend the Charter School. The data is compiled by the School and is subject to audit by the State and if errors are found this could result in amounts having to be repaid to the State or decrease in future allocations. Management believes that the amounts that would have to be remitted back to the State due to errors in their FTE count would not be material to the financial position of the School.

BROWARD COMMUNITY CHARTER SCHOOL , INC.
Supplemental Schedule of Expenditures
Budget and Actual- Governmental Fund (General Fund)
Year Ended June 30, 2009

	Governmental Fund		
	Original and Final Budget	Actual	Variance
Instructional			
Salaries	\$274,528	\$342,713	\$68,185
Payroll Taxes	25,120	33,003	7,883
Retirement	2,175	2,664	489
Health Insurance	63,224	58,751	(4,473)
Workers Compensation	3,432		(3,432)
Instructional materials	2,950	11,868	8,918
Total Instructional	<u>\$371,429</u>	<u>\$448,999</u>	<u>\$77,570</u>
ESE Instructional			
Salaries	\$8,000	\$86	(\$7,914)
Payroll taxes	612	604	(8)
Benefits	220		(220)
Instructional materials		5,920	5,920
	<u>\$8,832</u>	<u>\$6,610</u>	<u>(\$2,222)</u>
Curriculum Development			
Testing and Assessment	<u>\$7,500</u>	<u>\$14,734</u>	<u>\$7,234</u>
Instructional staff training			
Professional & Technical	<u>\$2,000</u>		<u>(\$2,000)</u>
Board Services			
Professional	\$6,500	\$3,150	(\$3,350)
Other Expenses	472	698	226
Total Board Services	<u>\$6,972</u>	<u>\$3,848</u>	<u>(\$3,124)</u>
School Administration			
Salaries	\$81,100	111,841	\$30,741
Payroll taxes	7,218	10,635	3,417
Reirement	2,433	2,675	242
Health Insurance	26,961	25,318	(1,643)
Workers Compensation	1,217		(1,217)
Office Expenses	4,990	9,251	4,261
Travel	300		(300)
Total School Administration	<u>\$124,219</u>	<u>\$159,720</u>	<u>\$35,501</u>

BROWARD COMMUNITY CHARTER SCHOOL, INC.
Supplemental Schedule of Expenditures
Budget and Actual- Governmental Fund (General Fund)
Year Ended June 30, 2009

	Governmental Fund		
	Original and Final Budget	Actual	Variance
Facilities Acquisition			
Facility lease	\$104,520	\$111,818	\$7,298
General Administration			
District Admin fees	\$37,508	\$39,155	\$1,647
Fiscal Services			
Professional & Technical	\$95,840	\$74,804	(\$21,036)
Food Services			
Food Supplies		\$3,159	\$3,159
Central services			
Professional & Technical	\$2,000		(\$2,000)
Materials & supplies	3,186		(3,186)
	\$5,186		(\$5,186)
Pupil Transportation			
Contracted Services		\$720	\$720
Operation of Plant			
Salaries	\$3,110	\$4,035	\$925
Payroll taxes	285	450	165
Workers Compensation	39		(39)
Repairs & maintenance	17,000	19,421	2,421
Insurance	12,508		(12,508)
Communication	6,000	5,481	(519)
Utilities	30,199	23,077	(7,122)
Supplies	6,400		(6,400)
Total Operation of Plant	\$75,541	\$52,464	(\$23,077)
Plant Maintenance			
Repairs and Maintenance		\$2,876	\$2,876
Technology Services			
Professional & technical	\$4,500	\$17,889	\$13,389

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

To The Board Members of Broward
Community Charter School, Inc.
Coral Springs, Florida

I have audited the financial statements of Broward Community Charter School, Inc., ("the School") (a non-profit organization) as of and for the year ended June 30, 2009, and have issued my report thereon dated September 21, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the School's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the School'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 School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control.

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

My 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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses as defined above.

**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 (Cont'd.)**

To the Board Members of Broward
Community Charter School, Inc.
Coral Springs, Florida
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This Report is intended solely for the information and use of the Board Members, Management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mark Escoffery, P.A.

Palm Beach Gardens, Florida
September 21, 2009

Mark Escoffery, P.A.

Certified Public Accountant

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MANAGEMENT LETTER

To the Board Members of Broward
Community Charter School, Inc.
Coral Springs, Florida

I have audited the financial statements of Broward Community Charter School, Inc., ("the School") as of and for the year ended June 30, 2009, and have issued my report thereon dated September 21, 2009.

I have issued my Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance dated September 21, 2009. Disclosures in that report, if any, should be considered in conjunction with this Management Letter.

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

The *Rules of the Auditor General* Section 10.854(1)(d)1 require that I comment as to whether or not recommendations made in the preceding annual financial report have been followed. There were no comments or recommendations made in the prior year.

The *Rules of the Auditor General* Section 10.854(1)(d)2 require that I comment on whether the School has met any of the conditions described in Section 218.503(1), Florida Statutes. The School has not met any of the conditions described in Section 218.503(1), Florida Statutes.

The *Rules of the Auditor General* Section 10.854(1)(d)5 require that I state whether there were any findings or recommendations made for the current year. There are no findings and recommendations made for the current year.

The *Rules of the Auditor General* Section 10.855 (10) require that I state whether the scope of the audit included the use of financial condition assessment procedures to determine whether deteriorating financial conditions exist pursuant to Section 218.39(5) Florida Statutes. The scope of the audit included the use of financial condition assessment procedures and there were no deteriorating financial conditions existing pursuant to Section 218.39(5) Florida Statutes.

MANAGEMENT LETTER
(Continued)

To the Board Members of Broward
Community Charter School, Inc.
Coral Springs, Florida
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OTHER CURRENT YEAR COMMENTS

My report did not disclose any additional items that would be required to be reported under Chapter 10.854(1)(d) *Rules of the Auditor General*.

The Report is intended solely for the information and use of the School's Board Members, Management, pass-through entities and the State of Florida Office of the Auditor General and is not intended and should not be used by anyone other than these specified parties.

Mark Eschberg, P.A.

Palm Beach Gardens, Florida
September 21, 2009