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**LOVE TO LEARN EDUCATIONAL CENTER, INC.
GAINESVILLE, FLORIDA
JUNE 30, 2009**

**Financial Statements,
Independent Auditor's Report Thereon,
Independent Auditor's Report on
Compliance and Internal Controls and
Management Letter**



HARVEY, COVINGTON & THOMAS, LLC

1/23/

**LOVE TO LEARN EDUCATIONAL CENTER, INC.
GAINESVILLE, FLORIDA
JUNE 30, 2009**

**Financial Statements,
Independent Auditor's Report Thereon,
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Compliance and Internal Controls and
Management Letter**

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LOVE TO LEARN EDUCATIONAL CENTER, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Love to Learn Educational Center, Inc.

We have audited the accompanying financial statements of the governmental activities and each major fund of Love to Learn Educational Center, Inc., as of and for the year ended June 30, 2009, which collectively comprise the organization's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Love To Learn Educational Center, Inc.'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 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.

In our 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 Love to Learn Educational Center, Inc., 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*, we have also issued our report dated September 23, 2009, on our consideration of Love to Learn Educational Center, Inc. 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.

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The management's discussion and analysis on pages 3 through 5 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 principally of inquiries 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.

Harvey Lorington J. Thomas, C.P.A.

Hollywood, Florida

September 23, 2009

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**LOVE TO LEARN EDUCATIONAL CENTER, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

This discussion and analysis of the School's financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the School's financial statements, which follow this section.

The following are various financial highlights for fiscal year 2009:

- ❖ The School was in operation for only two months during the fiscal year ended June 30, 2009 and ceased operations in August of 2009. All assets were returned to the School Board of Alachua County and this termination audit was performed as presented herein.
- ❖ The School's total net assets were approximately \$ 24,000 prior to termination.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This annual report contains government-wide financial statements that report on the School's activities as a whole and fund financial statements that report on the School's individual funds.

Government-wide Financial Statements

The Statement of Net Assets includes all of the School's asset and liabilities using the accrual basis of accounting. Accrual accounting is similar to the accounting used by most private-sector companies. All of the current year revenues and expenses are recorded, regardless of when cash is received or paid. The Statement of Activities is also shown using the accrual basis of accounting. It shows the increase and/or decrease in net assets during the fiscal year.

Fund Financial Statements

The Governmental fund financial statements provide more detailed information about the School's individual funds activity. A description of governmental funds follows:

- ❖ Governmental Funds – These funds are accounted for using modified accrual accounting. Modified accrual accounting focuses on available cash and other financial assets that can be readily converted to cash. This provides a short-term view of the governmental fund's financial position, to help determine whether there are more or fewer financial resources that can be spent in the near term to finance the School's programs. Given that this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided with these statements. This information helps to explain the difference between the fund financial statements and the government-wide financial statements.

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LOVE TO LEARN EDUCATIONAL CENTER, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009

Fund Financial Statements

The School maintains one major fund and two non-major funds. The General Fund is considered to be a major fund. The Capital Projects Fund and the Special Revenue Fund are considered to be non-major funds, but is presented separately at the discretion of Management.

General Fund – All financial resources except those required to be reported in another fund.

Special Revenue Fund – The proceeds of specific revenue sources (other than major capital projects), which are restricted to expenditures for specified purposes.

Capital Projects Fund – Financial Sources to be used for the acquisition and/or construction of major capital facilities, including capital outlays

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Governmental Activities

The governmental activities generated approximately \$ 454 in general revenues and incurred approximately \$ 160,000 of program expenses. This resulted in a \$ 159,000 decrease in net assets. However, as discussed, the School ceased operations during the fiscal year.

THE SCHOOL'S INDIVIDUAL FUNDS

General Fund

The General Fund's fund balance was approximately \$ 24,000. The School incurred approximately \$ 160,000 in expenses due to operations of the School.

BUDGETARY HIGHLIGHTS

General Fund

Revenues received in the General Fund were granted by the School Board Alachua County for the fiscal year, therefore there were no variances. A budget was not provided as the School was only in operation for two months of the fiscal year.

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**LOVE TO LEARN EDUCATIONAL CENTER, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Pursuant to Section 228.056(10)(e) of the Florida Statutes, the School's charter contract, provides that in the event the school is dissolved or terminated, all school property purchased with public funds automatically revert to the District. The capital assets were returned to the School District during August 2008.

Debt Administration

The School did not enter into any debt agreement during the fiscal period.

ECONOMIC FACTORS

Economic factors that could affect the School's operations may include operational changes, limited classroom space, and the State's base student allocation. We did identify conditions that have a significant effect on the School's financial position or results of operations. Some of these factors mentioned above have occurred resulting in the School's inability to meet its obligations during the ordinary course of business. As a result, the District closed the School during August 2008.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the School's finances and to show the School's accountability for the money it receives. If you have any questions about this report or need additional information, contact Dr. Lavetta Palmer, PhD, 4342 NW 15th Terrace, and Gainesville, Florida, 32605.

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LOVE TO LEARN EDUCATIONAL CENTER, INC.
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Primary Government	
	Governmental Activities	Total
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 22,379	\$ 22,379
Other Assets	2,075	2,075
	24,454	24,454
Total Current Assets		
	24,454	24,454
Total Assets	\$ 24,454	\$ 24,454
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 136	\$ 136
	136	136
Total Current Liabilities		
	136	136
Total Liabilities	136	136
NET ASSETS		
Unrestricted	24,318	24,318
	24,318	24,318
Total Net Assets	\$ 24,318	\$ 24,318

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LOVE TO LEARN EDUCATIONAL CENTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating		Primary Government	
			Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
FUNCTIONS:						
Primary Government:						
Governmental Activities:						
Basic Instruction	\$ 1,522	\$ -	\$ -	\$ -	\$ (1,522)	\$ (1,522)
School Administrative	121,490	-	-	-	(121,490)	(121,490)
Fiscal Services	18,910	-	-	-	(18,910)	(18,910)
Instructional Staff and Training Services	569	-	-	-	(569)	(569)
Instruction & Curriculum	7,834	-	-	-	(7,834)	(7,834)
Fiscal Acquisition	4,839	-	-	-	(4,839)	(4,839)
Pupil Transportation	179	-	-	-	(179)	(179)
Operation of Plant	4,723	-	-	-	(4,723)	(4,723)
Total governmental activities:	160,066	-	-	-	(160,066)	(160,066)
General Revenues:						
Interest Income					407	407
Field Trip Fees					47	47
Total General Revenues, Special Items and Transfers					454	454
Change in Net Assets					(159,612)	(159,612)
Net Assets - Beginning of Year					380,881	380,881
Transfer of Assets to School District					(196,951)	(196,951)
Net Assets - End of Year					\$ 24,318	\$ 24,318

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LOVE TO LEARN EDUCATIONAL CENTER, INC.
BALANCE SHEET
GOVERNMENT FUNDS
JUNE 30, 2009

ASSETS	GENERAL	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL GOVERNMENTAL FUNDS
Cash	\$ 22,379	-	-	\$ 22,379
Other Assets	<u>2,075</u>	-	-	<u>2,075</u>
TOTAL ASSETS	<u>24,454</u>	-	-	<u>24,454</u>
Current liabilities				
Accrued expenses	<u>136</u>	-	-	<u>136</u>
TOTAL LIABILITIES	<u>136</u>	-	-	<u>136</u>
Fund Balances:				
Unrestricted	<u>24,318</u>	-	-	<u>24,318</u>
TOTAL FUND EQUITY	<u>24,318</u>	-	-	<u>24,318</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 24,454</u>	<u>-</u>	<u>-</u>	<u>\$ 24,454</u>

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets for
for the year ended June 30, 2009

Total Fund Balances - Governmental Funds

Net Assets of Governmental Activities

\$ 24,318

\$ 24,318

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LOVE TO LEARN EDUCATIONAL CENTER, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Interest Income	\$ 407	\$ -	\$ -	\$ 407
Miscellaneous Income	47			47
TOTAL REVENUES	454			454
EXPENDITURES				
Basic Instruction	1,522			1,522
School Administration	121,490			121,490
Instruction & Curriculum Development	18,910			18,910
Instructional Staff Training Services	569			569
Facilities Acquisition & Construction	7,834			7,834
Fiscal Services	4,839			4,839
Pupil Transportation Services	179			179
Operation of Plant	4,723			4,723
TOTAL EXPENDITURES	160,066			160,066
EXCESS OF EXPENDITURES OVER REVENUES	(159,612)			(159,612)
TOTAL OTHER FINANCING SOURCES				
NET CHANGE IN FUND BALANCES	(159,612)			(159,612)
FUND BALANCE, July 1, 2008	380,881			380,881
Transfer of Assets to School District	(196,951)			(196,951)
FUND BALANCE, June 30, 2009	\$ 24,318	\$ -	\$ -	\$ 24,318
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances - Governmental Funds to the Statement of Activities				
Total net change in fund balances - governmental funds				\$ (159,612)
Net Assets of Governmental Activities				\$ (159,612)

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LOVE TO LEARN EDUCATIONAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2009

NOTE 1 – IDENTIFICATION AND OPERATIONS

Reporting Entity

Love to Learn Educational Center, Inc. is a not-for-profit corporation organized in 1998 pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The not-for-profit corporation conducts business as Love to Learn Educational Center, Inc. (the "School"). The governing body of the School is the not-for-profit corporation's Board of Directors.

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, the School Board of Alachua County (the "District"). The current charter is effective until June 30, 2012. Pursuant to Section 1002.33(8) (e), Florida Statutes, the charter school contract provides that in the event the school is dissolved or terminated, any unencumbered funds and all school property purchased with public funds automatically revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown. During August 2008, the District chose not to renew the charter under grounds that the School was unable to meet its daily obligation during the ordinary course of business. As required by the charter, the District duly notified the School in writing at least 90 days prior to the charter's expiration. The School's Charter was terminated during August 2008. This School is considered a component unit of the District.

Criteria for determining if other entities are potential component units of the School that should be reported with the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the Schools' basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included with the reporting entity of the School.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The School follows GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The financial transactions of the School are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

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LOVE TO LEARN EDUCATIONAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUND TYPES

The measurement focus of the Governmental Funds is upon determination of financial position and changes in financial position rather than upon net income. The following is a description of the Governmental Funds of the School:

General Fund – to account for all financial resources not required to be accounted for in another fund. The General fund serves as the primary operating unit of the School.

Special Revenue Fund – to account for financial resources associated with grants that are restricted for specific uses.

Capital Projects Fund – to account for all financial resources that are specifically restricted to expenditure for capital projects.

In the accompanying fund financial statements, the General Fund, Special Revenue Fund, and Capital Projects Fund are all considered to be significant funds and, therefore, are separately stated. The School has one non-major fund.

NON-CURRENT GOVERNMENTAL ASSETS/LIABILITIES

GASB Statement 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Assets.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Government-wide Financial Statements are presented on an accrual basis of accounting.

The Fund financial statements are presented on a modified accrual basis.

All governmental fund types are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred.

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LOVE TO LEARN EDUCATIONAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis of Accounting

Budgets are presented on the modified accrual basis of accounting, consistent with generally accepted accounting principles.

Cash and Cash Equivalents

The School deposits its temporary idle resources in financial institutions. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. At June 30, 2009, deposits did not exceed FDIC insurance limits of \$250,000.

Debt Issuance Costs

In the government-wide financial statements, debt issuance costs are capitalized and amortized over the life of the debt.

Capital Assets and Depreciation

Expenditures for capital assets acquired for utilization at the School are reported in the governmental fund type that financed the acquisition. Donated Assets are recorded at fair value at the date of donation. The school's capitalization levels are \$500 on tangible personal property. Land and construction-in-progress are not depreciated. Depreciation on all assets is provided on the straight-line basis over the estimated useful life. The depreciation of general capital assets is recorded in the Government-wide financial statements.

Estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture, Fixtures and Equipment	5-10
Buildings	30
Improvements	5-15

Revenue Sources

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Florida Statutes, the School reports the number of full time equivalent (FTE) students and related data to the District. Under the provision of 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. There were no revenues received from the District, as the School's Charter was terminated by the District during August 2008.

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LOVE TO LEARN EDUCATIONAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources

Funding for the School is adjusted during the year to reflect the revised calculation by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

The School's only sources of revenue was from interest and other income because its charter has been terminated by the District and was not awarded further funding.

Compensated Absences

The School does not pay employees for unused sick and vacation time. Unused hours expire at the end of the school year. Therefore, no compensated absences are recorded.

Long-term Liabilities

All long-term debt and other long-term obligations are reported in the government-wide financial statements. In the fund financial statements, long-term liabilities are reported in the governmental funds because governmental funds use the current financial resources measurement focus.

Income Taxes

The School is exempt from federal income taxes under Section 501(C)(3) of the Internal Revenue Code. Therefore, no provision for federal income taxes has been made in the accompanying financial statements.

Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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**LOVE TO LEARN EDUCATIONAL CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2009**

NOTE 3 – CAPITAL ASSETS

The changes in capital asset are as follows:

Capital Asset	Balance <u>7/1/2008</u>	<u>Additions</u>	<u>Transfers to District</u>	Balance <u>6/30/2009</u>
Leasehold Improvements	\$ 68,181	\$ -	\$ (68,181)	\$ -
Furniture, fixtures and equipment	14,572	-	(14,572)	-
	<u>82,753</u>	-	<u>(82,753)</u>	-
Accumulated depreciation	<u>(46,975)</u>	-	<u>46,975</u>	-
Net Capital Asset	<u>\$ 35,778</u>	<u>\$ -</u>	<u>\$ (35,778)</u>	<u>\$ -</u>

Pursuant to Section 228.056(10)(e) of the Florida Statutes, the School's charter contract, provides that in the event the school is dissolved or terminated, all school property purchased with public funds automatically revert to the District. The capital assets were returned to the School District during August 2008.

NOTE 4 – BUDGETARY COMPARISON SCHEDULE

The following budgetary information, on page 15, is presented as part of the required supplementary information as mandated by GASB Statement #34.

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LOVE TO LEARN EDUCATIONAL CENTER, INC.
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2009

	GENERAL	
	ORIGINAL BUDGET	ACTUAL
REVENUES		
	\$	\$
Interest Income	-	407
Miscellaneous Income	-	47
TOTAL REVENUES	-	454
EXPENDITURES		
Basic Instruction	-	1,522
Other Instruction	-	-
Pupil Instructional Support Services	-	121,490
Instructional & Curriculum Dev	-	18,910
Instructional Staff Training Services	-	569
School Administration	-	-
Facilities Acquisition & Construction	-	7,834
Fiscal Services	-	4,839
Pupil Transportation	-	179
Operation of Plant	-	4,723
TOTAL EXPENDITURES	-	160,066
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ (159,612)

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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 of Directors
Love to Learn Educational Center, Inc.

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Love to Learn Educational Center, Inc., Florida (the "School"), as of and for the year ended June 30, 2009, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any

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deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of Love to Learn Educational Center, Inc.'s, management, the Board of Directors, 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

Harney Lovington Thomas, S.C.C.

Hollywood, Florida
September 23, 2009

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INDEPENDENT AUDITOR'S LETTER TO MANAGEMENT

September 23, 2009

To the Board of Directors
Love to Learn Educational Center, Inc.
Gainesville, Florida

We have audited the basic financial statements of Love to Learn Educational Center, Inc.; (the "School") as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated September 23, 2009.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on the audit of the financial statements performed in accordance with *Government Auditing Standards*, dated September 23, 2009, and should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.850, Rules of the Auditor General, which governs the conduct of the audits for charter schools and similar entity performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports and/or schedule:

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made during the prior year audit.

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

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address violations of provisions of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

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Section 10.854(1)(e)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements considering both quantitative and qualitative factors:

- (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse,
- (2) control deficiencies that are not significant deficiencies.

In connection with our audit, we did not have any such findings.

Section 10.854(1) (e) 6, Rules of the Auditor General, requires the name or official title of the School. The official title of the school is Love to Learn Educational Center, Inc.

Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the school has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Love to Learn Educational Center, Inc. did not meet the conditions described in Section 218.503(1), Florida Statutes.

Sections 10.854(1) (3)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Love to Learn Educational Center, Inc's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Section 1002.33(8) (e), the District chose not to renew the School's charter under grounds that the School was unable to meet its daily obligation during the ordinary course of business. As required by the charter, the District duly notified the School in writing at least 90 days prior to the charter's expiration. The School's Charter was terminated during August 2008.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, the Florida Auditor General and the School District, and is not intended to be and should not be used by anyone other than these specified parties.

Harvey Lorington J. Thomas, S. A. C.

Hollywood, Florida
September 23, 2009

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LOVE TO LEARN EDUCATIONAL CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

SCHEDULE OF FINDINGS AND RESPONSES

There were no findings and responses arising from the audit for year ended June 30, 2009.

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