

Sunshine Elementary Charter School

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December 11, 2009

Auditor General  
Claude Pepper Building, Room G72  
111 West Madison Street  
Tallahassee, FL 32399-1450  
Attention: David Ward

Dear Mr. Ward:

In the *Basic Financial Statements and Supplemental Information: Year Ended June 30, 2009* report, completed by Infante & Company for Paragon Academy of Technology, Inc., there were two (2) *Recommendations to Improve Financial Management, Accounting Procedures and Internal Controls* (p.24). Our response to these recommendations:

*09-1 Financial Emergency*

*As stated earlier, we determined that Sunshine Elementary Charter School, Inc. met the condition described in Section 218.503(1)(e), Florida Statutes. The financial emergency condition met was not the result of deteriorating financial conditions. SEC reported a deficit unreserved fund balance of \$119,110 and a deficit of net assets of \$78,742. SEC reported an increase in net assets of the year \$69,596 and has budgeted to continue to show an increase in net assets for the fiscal year 2010.*

Response:

To continue increasing net assets for fiscal year 2010, several cost-saving measures have been implemented:

1. The school's management company contract was terminated in August 2009. This step will save the school many thousands of dollars this fiscal year.
2. Personnel reduction and elimination of positions. This move decreased payroll and associated insurance costs.
3. Review and renegotiation of monthly maintenance costs including reduction in pool upkeep, lawn maintenance, and pest control services.
4. Purchasing, payroll, and billing are now under the direct control of the Board and the school principal. The principal provides the Board periodic revenue and expense updates.
5. Additional marketing efforts have been initiated to increase student enrollment.
6. Fundraising efforts have increased.

The Board will continue to work with the principal and school community to increase revenue and control spending. Board meetings will continue on a monthly basis to keep Board members up-to-date with fiscal information.

*09-2 Bank account signers*

*We noted that no member of the board of directors has access to the bank account as a signer. While SEC did utilize a management company during the year ended June 30, 2009, at least one board of director should have access to authorize and sign checks as the board of directors is ultimately responsible for the financial statements.*

Response:

The Governing Board chairperson is now a signer on all school accounts and is authorized to sign checks and access all account information.

Thank you.

Sincerely,



Pam Hackett  
Chairperson, Sunshine Elementary Charter School