

ESCAMBIA CHARTER SCHOOL, INC.

**A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2015

**ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD**

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2015

CONTENTS

	PAGE
Independent Auditor's Report	1
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3
Management's Discussion and Analysis	6
Basic Financial Statements:	
Government-Wide Financial Statements (GWFS):	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements (FFS):	
Balance Sheet - Governmental Funds	12
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	15
Notes to Financial Statements	16
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund	25
Other Supplementary Information:	
Budgetary Comparison Schedule - Capital Projects Fund	26
Other Reports:	
Independent Accountant's Report on Compliance with Section 218.45, Florida Statutes	27
Management Letter	28

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Escambia Charter School, Inc.
Pensacola, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Escambia Charter School, Inc. (the "School") (a component unit of the Escambia County District School Board), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 the School, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
Escambia Charter School, Inc.
Pensacola, Florida

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 9 and budgetary comparison Schedule - General Fund on page 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The Budgetary Comparison Schedule - Capital Projects Fund on page 26 is presented for purposes of additional analysis and is not a required part of the financial statements. We have applied certain limited procedures to the Budgetary Comparison Schedule - Capital Projects Fund in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2015, on our consideration of the School's 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* in considering the School's internal control over financial reporting and compliance.



Pensacola, Florida
August 10, 2015

**INDEPENDENT AUDITOR'S 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
Escambia Charter School, Inc.
Pensacola, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Escambia Charter School, Inc. (the "School") (a component unit of the Escambia County District School Board) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Directors
Escambia Charter School, Inc.
Pensacola, Florida

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described below, that we consider to be a significant deficiency.

2009-1: Segregation of Duties

Auditor's Comment:

Due to the small size of the School's office, there is a lack of segregation of duties among the staff. The lack of segregation creates instances in which one individual may perform both custodial and recording functions with certain assets. The basic premise of internal control is that no one employee should have access to both physical assets and related accounting records or to all phases of a transaction. We noted a lack of segregation of duties in that the principal can both approve invoices and sign checks.

We suggest that management continue to review its internal control structure and segregate duties among its staff to the greatest extent possible. Individuals outside of accounting can be used to mitigate situations where incompatible duties exist.

Client's Corrective Action Plan:

Due to our continued decreasing funding and relatively small size, we are currently unable to hire a new person to help with our segregation of duties issue. We have separated duties using an outside accountant, board members as well as our current staff to create the control procedures that remove the ability to commit fraud to the greatest extent possible. We will continue to review this area and make changes as available funding permits.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Board of Directors
Escambia Charter School, Inc.
Pensacola, Florida

2015-1: Budget Amendment

Auditor's Comment:

During the audit, we noted that modifications of original budget amounts were not made in sufficient amounts to prevent actual expenditures from exceeding budgeted expenditures. The School was not in compliance with budget requirements as the actual expenditures in the General Fund exceeded the total budgeted expenditures by \$26,489. These over-expenditures resulted primarily from under-budgeted capital outlay expenditures. We recommend that management budget for all expenditures and all revenue sources, including funds obtained from other financing sources.

Client's Corrective Action Plan:

During the 2015 fiscal year, the School was approached by a company new to the region that sold/leased copiers and printers. At the time, the School was experiencing multiple repair issues with the current copiers/printers. Therefore, we decided to upgrade our copiers while also lowering our costs. This was an unbudgeted item that caused the discrepancies in our actual to budgeted amounts at year end. We will try to keep such large changes to the budget from happening and if it does happen again, we will amend the budget to represent that item of change.

The School's Response to Findings

The School's responses to the findings identified in our audit are described above as "Client's Corrective Action Plan." The School's responses were not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pensacola, Florida
August 10, 2015

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

As management of Escambia Charter School, Inc., (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, 2015 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, and (d) 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 10 through 24.

FINANCIAL HIGHLIGHTS

- As of June 30, 2015, the School's governmental funds reported combined ending fund balances of \$224,137, a decrease of \$48,195 in comparison with prior year.
- At June 30, 2015, unassigned balance for the general fund was \$175,438 and assigned balance for the capital projects fund was \$48,699.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of 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 themselves.

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 private-sector business.

The statement of net position presents information on all of the School's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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.

Both of the government-wide financial statements distinguish functions of the School that are principally supported by the Escambia County District School Board (the "District"), and state funding (governmental activities). The governmental activities of the School include instruction, pupil personnel services, instruction and curriculum development, board, school administration, facilities acquisition and construction, fiscal services, central services, pupil transportation services, operation of plant, maintenance of plant, and interest on long-term debt.

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(Continued)

The government-wide financial statements can be found on pages 10 and 11 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 other 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.

Government funds - Government 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 governmental 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 the capital projects fund, both of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 12 and 14 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 on pages 16 through 24 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed financial information - As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(Continued)

	2015	2014
Total assets, excluding capital assets	\$ 243,833	\$ 296,964
Capital assets	<u>204,365</u>	<u>210,386</u>
Total assets	<u><u>\$ 448,198</u></u>	<u><u>\$ 507,350</u></u>
Total liabilities, excluding long-term liabilities	\$ 19,696	\$ 24,632
Long-term liabilities	<u>40,921</u>	<u>28,482</u>
Total liabilities	<u><u>60,617</u></u>	<u><u>53,114</u></u>
Net investment in capital assets	182,880	201,194
Unrestricted net position	<u>204,701</u>	<u>253,042</u>
Total net position	<u><u>387,581</u></u>	<u><u>454,236</u></u>
Total liabilities and net position	<u><u>\$ 448,198</u></u>	<u><u>\$ 507,350</u></u>
Program revenues:		
District	\$ 114,724	\$ 133,961
General revenues:		
District	686,339	756,707
Other	<u>6,386</u>	<u>5,700</u>
Total revenues	<u><u>807,449</u></u>	<u><u>896,368</u></u>
Program expenses:		
Instruction	337,750	380,326
Pupil personnel services	50,966	40,851
Instructional media services	-	25
Instruction and curriculum development	1,500	-
Instructional staff training	-	788
Board	978	416
School administration	3,219	3,949
Facilities acquisition and construction	23,763	25,331
Fiscal services	152,660	150,883
Central services	57,283	67,674
Pupil transportation services	139,075	120,218
Operation of plant	85,127	96,474
Maintenance of plant	21,505	31,332
Interest on long-term debt	<u>278</u>	<u>790</u>
Total expenses	<u><u>874,104</u></u>	<u><u>919,057</u></u>
Change in net position	<u><u>\$ (66,655)</u></u>	<u><u>\$ (22,689)</u></u>

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(Continued)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, 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, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2015, the School's governmental funds reported combined ending fund balances of \$224,137.

BUDGETARY HIGHLIGHTS

The School made various amendments to the original budget during the year based on changes in expected funding sources and expenditures. The most significant budgetary amendment was to decrease the amount budgeted for Escambia County District School Board revenue and increase the amount budgeted for pupil transportation services.

CAPITAL ASSETS

Capital assets - The School's investment in capital assets for its governmental activities as of June 30, 2015, amounted to \$204,365 (net of accumulated depreciation). This investment in capital assets includes buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, computer software, property under capital lease and building improvements.

ECONOMIC FACTORS

Funding from the District according to the number of students enrolled primarily supports the School.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Escambia Charter School, Inc., P.O. Box 1147, Gonzalez, Florida 32560.

BASIC FINANCIAL STATEMENTS

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 170,136
Certificate of deposit	49,948
Due from primary government	6,940
Other receivable	400
Prepaid expenditures	16,409
Capital assets, net of accumulated depreciation of \$887,597	<u>204,365</u>
Total Assets	<u><u>\$ 448,198</u></u>

LIABILITIES AND NET POSITION

Liabilities:	
Accounts payable	\$ 7,777
Accrued liabilities	11,919
Long-term liabilities:	
Portion due or payable within one year:	
Notes payable	2,350
Capital lease obligation	4,180
Compensated absences	6,259
Portion due or payable after one year:	
Capital lease obligation	14,955
Compensated absences	<u>13,177</u>
Total liabilities	<u>60,617</u>
Net Position:	
Net investment in capital assets	182,880
Unrestricted	<u>204,701</u>
Total net position	<u>387,581</u>
Total Liabilities and Net Position	<u><u>\$ 448,198</u></u>

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

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

		Program Revenues		Net (Expense)
		Operating	Capital	Revenue and
		Grants and	Grants and	Change in
	Expenses	Contributions	Contributions	Net Position
Functions:				
Governmental activities:				
Instruction	\$ 337,750	\$ 74,176	\$	\$ (263,574)
Pupil personnel services	50,966			(50,966)
Instructional and curriculum development	1,500			(1,500)
Board	978			(978)
School administration	3,219			(3,219)
Facilities acquisition and construction	23,763			(23,763)
Fiscal services	152,660			(152,660)
Central services	57,283			(57,283)
Pupil transportation services	139,075	40,548		(98,527)
Operation of plant	85,127			(85,127)
Maintenance of plant	21,505			(21,505)
Interest on long-term debt	278			(278)
Total governmental activities	<u>\$ 874,104</u>	<u>\$ 114,724</u>	<u>\$ -</u>	<u>(759,380)</u>
General revenues:				
		State aid -		
		Formula grants		622,198
		Capital outlay funds		64,141
		Miscellaneous local sources		5,734
		Interest income		202
		Private contributions		300
		Other		150
		Total general revenues		<u>692,725</u>
		Change in Net Position		(66,655)
		Net Position at July 1, 2014		<u>454,236</u>
		Net Position at June 30, 2015		<u><u>\$ 387,581</u></u>

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

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

ASSETS

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 137,466	\$ 32,670	\$ 170,136
Certificate of deposit		49,948	49,948
Due from other funds	41,332		41,332
Due from primary government		6,940	6,940
Other receivable	400		400
Prepaid expenditures	10,226	6,183	16,409
Total Assets	<u>\$ 189,424</u>	<u>\$ 95,741</u>	<u>\$ 285,165</u>

LIABILITIES AND FUND BALANCES

Liabilities:			
Due to other funds	\$	41,332	\$ 41,332
Accounts payable	2,067	5,710	7,777
Accrued liabilities	11,919		11,919
Total liabilities	<u>13,986</u>	<u>47,042</u>	<u>61,028</u>
Fund Balances:			
Unrestricted:			
Unassigned	175,438		175,438
Assigned		48,699	48,699
Total fund balances	<u>175,438</u>	<u>48,699</u>	<u>224,137</u>
Total Liabilities and Fund Balances	<u>\$ 189,424</u>	<u>\$ 95,741</u>	<u>\$ 285,165</u>

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

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total Fund Balances - Governmental Funds	\$ 224,137
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Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of the assets is \$1,091,962 and the accumulated depreciation is \$887,597.	204,365
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Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(40,921)</u>
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Total Net Position - Governmental Activities	<u><u>\$ 387,581</u></u>
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ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues:			
Intergovernmental:			
Escambia County District School Board	\$ 719,856	\$ 64,141	\$ 783,997
Title I teacher funding	17,066		17,066
Other	6,486	150	6,636
	<hr/>	<hr/>	<hr/>
Total revenues	743,408	64,291	807,699
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current - Education:			
Instruction	325,462	3,292	328,754
Pupil personnel services	50,966		50,966
Instruction and curriculum development	1,500		1,500
Board	978		978
School administration	3,219		3,219
Facilities acquisition and construction		5,500	5,500
Fiscal services	152,660		152,660
Central services	41,435	987	42,422
Pupil transportation services	129,510	5,115	134,625
Operation of plant	80,873		80,873
Maintenance of plant	15,041	484	15,525
Debt Service:			
Principal	2,772	6,842	9,614
Interest		278	278
Capital Outlay:			
Instruction	25,809	11,348	37,157
Pupil transportation services		7,084	7,084
Maintenance of plant	1,671	4,975	6,646
	<hr/>	<hr/>	<hr/>
Total expenditures	831,896	45,905	877,801
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(88,488)	18,386	(70,102)
Other Financing Sources:			
Capital lease acquired	21,907		21,907
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	(66,581)	18,386	(48,195)
Fund Balances at July 1, 2014	242,019	30,313	272,332
	<hr/>	<hr/>	<hr/>
Fund Balances at June 30, 2015	\$ 175,438	\$ 48,699	\$ 224,137
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Net Change In Fund Balances - Governmental Funds	\$ (48,195)
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Amounts reported for *governmental activities* in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which current year depreciation expense (\$56,658) exceeds capital asset additions, net of disposals (\$50,637).	(6,021)
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In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(146)
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One capital lease was acquired this year, with terms including the payoff of an existing capital lease. The net amount financed is reported in the government funds as other financing sources. The new lease is not revenue in the statement of activities, but rather constitutes a long-term liability in the statement of net assets.	(21,907)
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Principal payments on long-term debt are expenditures in the governmental funds, but the payments reduce long-term liabilities in the statement of net position.	<div style="border-top: 1px solid black; display: inline-block;">9,614</div>
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Change in Net Position - Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block;">\$ (66,655)</div>
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**ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity:

Escambia Charter School, Inc. (the "School") 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 governing body of the School is the Board of Directors. The president of the not-for-profit corporation is the executive officer of the School.

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 Escambia County District School Board. The current charter is effective until June 30, 2019. The School is considered a component unit of the Escambia County District School Board.

Criteria for determining if other entities are potential component units which should be reported within the School's 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 School's financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the School. For the most part, the effect of interfund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to individuals who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Financial Statement Presentation:

The accompanying financial statements of the School have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Program revenues included in the statement of activities derive directly from the program itself or from parties outside the School. Program revenues reduce the cost of the function to be financed from the School's general revenues.

FUND FINANCIAL STATEMENTS (FFS) - GOVERNMENTAL FUNDS

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenues are recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The School reports the following major governmental funds:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the School. It accounts for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - The Capital Projects Fund accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the General Fund.

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted and Unrestricted Resources:

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed. Within the unrestricted category, committed resources are used first, then assigned resources, if any, followed by unassigned resources as needed.

Assigned Fund Balance:

The Florida Commissioner of Education allocates capital outlay funds to eligible charter schools, and those funds are assigned to the School's Capital Projects Fund. Capital outlay funds are to be used for the following purposes: purchase of real property, construction of school facilities, purchase, lease-purchase, or lease of permanent or relocatable school facilities, purchase of vehicles to transport students, or renovation, repair, and maintenance of school facilities that a charter school owns or is purchasing through a lease-purchase or long-term lease.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes:

The organization is exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3). As a result, there is no provision for taxes in the accompanying financial statements.

Elimination and Reclassifications:

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Short-Term Interfund Receivables and Payables:

During the course of operations, numerous transactions occur between individual funds. These receivables and payables are classified as due from other funds or due to other funds on the FFS balance sheet.

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets:

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is used based on the following estimated useful lives:

Buildings and fixed equipment	20 - 40 years
Furniture, fixtures and equipment	3 - 10 years
Motor vehicles	4 - 10 years
Computer software	5 - 10 years
Property under capital lease	5 - 10 years
Building improvements	7 - 40 years

Long-Term Debt and Compensated Absences:

All long-term debt is recorded as liabilities in the GWFS when incurred. Principal and interest payments are recorded as expenditures in the General Fund or Capital Fund Projects Fund in the FFS, with a corresponding reduction in the liability in the GWFS for the amount of the principal payment. Compensated absences are recorded as expenditures when leave is used or when accrued as payable to employees entitled to cash payment in lieu of taking leave.

Revenue Sources:

The School's primary revenue source is the Escambia County District School Board (the "District"). Pursuant to the provision of the School's charter and Section 1002.33, Florida Statutes, the School reports full time equivalents ("FTEs") to the District. The District, under Section 1011.62, Florida Statutes, then reports the number of FTEs to the Florida Department of Education for funding under the Florida Education Finance Program. The District retains an administration charge from the total FTE funding attributed to the School, therefore actual revenue recorded by the School represents the remainder of FTE funding after the administrative charge. School revenue is adjusted during the year to reflect changes in the number of FTEs.

The School also receives Federal and State awards for the enhancement of various educational programs and facilities. Federal and State awards are generally received based on applications submitted to and approved by various granting agencies.

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources (Continued):

The School receives funding under the provisions of Section 1013.62, Florida Statutes, which provides capital outlay funding for charter schools. This amount is recorded as deferred revenue rather than as revenue until the School incurs and requests reimbursement for qualifying capital outlay expenditures. Awards received from the capital outlay program are made from funds appropriated by Legislature and may be used for any lawful capital outlay purpose that is directly related to the functioning of the charter school.

Budgetary Data:

The School utilizes the following procedures in establishing budgetary data:

The president submits to the Board of Directors the proposed annual budgets for the General Fund and the Capital Projects Fund for the fiscal year commencing the next July 1. The Board of Directors legally enacts the budget through adoption, and the budget is revised periodically throughout the school year, when deemed appropriate. Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the total expenditures level.

During the year ended June 30, 2015, the School's actual expenditures in the General Fund exceeded the total budgeted expenditures by \$26,489. The over-expenditures resulted from under-budgeted capital outlay expenditures.

Risk Management Programs:

Automobile liability, general liability, property, employee bond, and workers' compensation coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not exceeded commercial coverage for the last three years.

NOTE 2 - CASH AND INVESTMENTS

The School's cash and investments consist of petty cash, demand deposits, and a certificate of deposit. At year end, the carrying amount of the School's deposits was \$220,084 and the bank balance was \$232,668, all of which was held by qualified public depositories under Chapter 280, Florida Statutes. Accordingly, all of the deposits are considered to be fully insured.

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2015 consisted of \$41,332 due to the General Fund from the Capital Projects Fund.

NOTE 4 - CAPITAL ASSETS

Changes in capital assets were as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental activities:					
Buildings and fixed equipment	\$ 192,407	\$	\$	\$	\$ 192,407
Furniture, fixtures and equipment	291,798	18,475			310,273
Motor vehicles	371,301	7,084	32,500		345,885
Computer software	34,426	1,750		1,750	37,926
Property under capital lease	25,555	21,907	14,951		32,511
Building improvements	171,289	1,671			172,960
Construction in progress	1,750			(1,750)	-
Totals at historical cost	<u>1,088,526</u>	<u>50,887</u>	<u>47,451</u>	<u>-</u>	<u>1,091,962</u>
Less accumulated depreciation:					
Buildings and fixed equipment	119,224	18,247			137,471
Furniture, fixtures and equipment	246,881	17,315			264,196
Motor vehicles	351,112	3,904	32,500		322,516
Computer software	33,867	1,069			34,936
Property under capital lease	25,216	2,921	14,701		13,436
Building improvements	101,840	13,202			115,042
Total accumulated depreciation	<u>878,140</u>	<u>56,658</u>	<u>47,201</u>	<u>-</u>	<u>887,597</u>
Capital assets, net	<u>\$ 210,386</u>	<u>\$ (5,771)</u>	<u>\$ (250)</u>	<u>\$ -</u>	<u>\$ 204,365</u>

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 8,850
Facilities acquisition and construction	18,263
Central services	14,861
Pupil transportation services	4,450
Operation of plant	4,254
Maintenance of plant	<u>5,980</u>
	<u>\$ 56,658</u>

NOTE 5 - LONG-TERM LIABILITIES

Changes in long-term liabilities were as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Amounts Due Within One Year
Note payable	\$ 9,192	\$	\$ (6,842)	\$ 2,350	\$ 2,350
Capital lease obligation	-	21,907	(2,772)	19,135	4,180
Compensated absences	<u>19,290</u>	<u>146</u>	<u></u>	<u>19,436</u>	<u>6,259</u>
Total	<u>\$ 28,482</u>	<u>\$ 22,053</u>	<u>\$ (9,614)</u>	<u>\$ 40,921</u>	<u>\$ 12,789</u>

The School has a note payable to a financial institution that matures in October 2015, is secured by the vehicle purchased with the loan proceeds, is subject to an interest rate of 4.55%, and has monthly installments of \$593 (including principal and interest).

The School has entered into a capital lease for two copy machines, which is payable in monthly installments of \$395 through October 2019.

Compensated absences records relate only to hours earned, used, and available; therefore, the net change in compensated absences payable is reflected in the above schedule.

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 - LONG-TERM LIABILITIES (Continued)

Maturities of the note payable and capital lease obligation are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 6,530	\$ 583	\$ 7,113
2017	4,318	422	4,740
2018	4,460	280	4,740
2019	4,607	133	4,740
2020	1,570	11	1,581
	\$ 21,485	\$ 1,429	\$ 22,914
	\$ 21,485	\$ 1,429	\$ 22,914

NOTE 6 - SCHEDULE OF REVENUE SOURCES

The following is a schedule of revenue sources and amounts:

Sources	General Fund	Capital Projects Fund
Escambia County District School Board:		
Florida Education Finance Program	\$ 719,856	\$
Capital outlay		64,141
Title I teacher funding	17,066	
Miscellaneous local sources	5,734	
Interest income	52	150
Private contributions	300	
Other	400	
	\$ 743,408	\$ 64,291
Total	\$ 743,408	\$ 64,291

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 - EMPLOYEE BENEFIT PLAN

The School has a 401(k) retirement plan covering substantially all employees who have completed one year of service with the School. The plan includes provisions for an employer match of 25% of employee contributions up to 6% of the employee's salary. The School contributions to the Plan amounted to \$2,783 during the year ended June 30, 2015.

NOTE 8 - OPERATING LEASE OBLIGATIONS

The School leases land and a building from Escambia County. The five-year lease, which began in 1998, is considered an operating lease and was renewed for an additional period to end May 15, 2018. The monthly lease payment was \$500 through June 30, 2015. The lease payments are included in current facilities acquisition and construction under the Capital Projects Fund. The lease is cancelable by either party with ninety days notice. The minimum future payments under the lease are \$6,000 for the years ending June 30, 2016 and 2017 and \$5,500 for the year ending June 30, 2018.

NOTE 9 - CONTINGENCIES

As stated in Note 1, the School has received charter school capital outlay funding. The disbursement of funds received under this program is subject to review and audit by awarding agencies, and these funds are restricted to use for lawful capital outlay expenditures only. Any disbursements disallowed by the awarding agency could become liabilities of the School. In the event the School terminates operation, all unencumbered funds and all equipment and property purchased with capital outlay funds revert back to the ownership of the District.

REQUIRED SUPPLEMENTARY INFORMATION

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental:				
Escambia County District School Board	\$ 757,572	\$ 720,972	\$ 719,856	\$ (1,116)
Title I teacher funding	17,000	17,000	17,066	66
Other	670	1,870	6,486	4,616
Total revenues	775,242	739,842	743,408	3,566
Expenditures:				
Current - Education:				
Instruction	317,490	319,145	325,462	(6,317)
Pupil personnel services	37,706	49,611	50,966	(1,355)
Instructional media services	-	300	-	300
Instruction and curriculum development	-	1,515	1,500	15
Board	360	-	978	(978)
School administration	2,129	2,129	3,219	(1,090)
Fiscal services	147,240	152,975	152,660	315
Central services	54,167	47,384	41,435	5,949
Pupil transportation services	113,050	129,683	129,510	173
Operation of plant	85,864	80,147	80,873	(726)
Maintenance of plant	12,000	13,180	15,041	(1,861)
Debt Service:				
Principal	6,168	6,168	2,772	3,396
Capital Outlay:				
Instruction	4,000	1,500	25,809	(24,309)
Maintenance of plant	-	1,670	1,671	(1)
Total expenditures	780,174	805,407	831,896	(26,489)
Excess (deficiency) of revenues over (under) expenditures	(4,932)	(65,565)	(88,488)	(22,923)
Other Financing Sources:				
Capital lease acquired	-	-	21,907	21,907
Net Change in Fund Balance	(4,932)	(65,565)	(66,581)	(1,016)
Fund Balance at July 1, 2014	242,019	242,019	242,019	-
Fund Balance at June 30, 2015	\$ 237,087	\$ 176,454	\$ 175,438	\$ (1,016)

OTHER SUPPLEMENTARY INFORMATION

ESCAMBIA CHARTER SCHOOL, INC.
A COMPONENT UNIT OF
THE ESCAMBIA COUNTY DISTRICT SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental:				
Escambia County District School Board	\$ 60,000	\$ 64,100	\$ 64,141	\$ 41
Other	150	160	150	(10)
Total revenues	60,150	64,260	64,291	31
Expenditures:				
Current - Education:				
Instruction	2,500	3,292	3,292	-
Facilities acquisition and construction	6,000	6,300	5,500	800
Central services	300	-	987	(987)
Pupil transportation services	300	5,115	5,115	-
Operation of plant	3,000	500	-	500
Maintenance of plant	4,800	-	484	(484)
Debt Service:				
Principal	6,780	6,780	6,842	(62)
Interest	360	360	278	82
Capital Outlay:				
Instruction	16,000	16,000	11,348	4,652
Facilities acquisition and construction	3,000	-	-	-
Central services	6,000	-	-	-
Pupil transportation services	-	7,084	7,084	-
Operation of plant	3,000	3,000	-	3,000
Maintenance of plant	5,400	-	4,975	(4,975)
Total expenditures	57,440	48,431	45,905	2,526
Net Change in Fund Balance	2,710	15,829	18,386	2,557
Fund Balance at July 1, 2014	30,313	30,313	30,313	-
Fund Balance at June 30, 2015	\$ 33,023	\$ 46,142	\$ 48,699	\$ 2,557

OTHER REPORTS

**INDEPENDENT ACCOUNTANT'S REPORT
ON COMPLIANCE WITH SECTION 218.45, FLORIDA STATUTES**

To the Board of Directors
Escambia Charter School, Inc.
Pensacola, Florida

We have examined Escambia Charter School, Inc.'s (the "School") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended June 30, 2015. Management is responsible for the School's compliance with those requirements. Our responsibility is to express an opinion on the School's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the School's compliance with those requirements and performing such procedures as we considered necessary in the circumstances. We believe that our examination provided a reasonable basis for our opinion. Our examination does not provide a legal determination on the School's compliance with specified requirements.

In our opinion, the School complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2015.

This report is intended solely for the information and use of the School and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



Pensacola, Florida
August 10, 2015

MANAGEMENT LETTER

To the Board of Directors
Escambia Charter School, Inc.
Pensacola, Florida

Report on the Financial Statements

We have audited the financial statements of Escambia Charter School, Inc. (the “School”) (a component unit of the Escambia County District School Board), as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated August 10, 2015.

Auditor’s Responsibility

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.

Other Report

We have issued our Independent Auditor’s 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*. Disclosures in that report, which is dated August 10, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report, except finding 2009-1. Finding 2009-1 has been reported in each of the two preceding audit reports.

Board of Directors
Escambia Charter School, Inc.
Pensacola, Florida

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Escambia Charter School, Inc.

Financial Condition

Section 10.854(1)(e)2., Rules of the Auditor General, requires that we report the results of our determination 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 School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of the financial information provided by same.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Other Matters

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 audit, we did not have any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Board of Directors
Escambia Charter School, Inc.
Pensacola, Florida

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, reading "Saltmarsh Cleaveland & Gurd".

Pensacola, Florida
August 10, 2015