



**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF
ORANGE COUNTY, FLORIDA**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORTS THEREON**

JUNE 30, 2014



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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report of Nap Ford Community School, Inc. (the "School") presents management's discussion and analysis of the School's financial performance during the fiscal year ended June 30, 2014. Please read it in conjunction with the School's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The School's net position increased as compared to the prior year.
- For the fiscal year ended June 30, 2014, the School's revenues exceeded expenses by \$19,763, which is an improvement from the prior year when expenses exceeded revenues by \$22,636.
- The School served approximately 141 students (K-5) during the year.
- The School is showing a strong cash and cash equivalents and net position at the end of the year (\$46,964 and \$160,262, respectively).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the School's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the School, reporting the School's operations in more detail than the government-wide statements.
 - The *governmental funds* financial statements tell how general school services were financed in the short term, as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

This document also includes the 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*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850.

The following table summarizes the major features of the School's financial statements, including the portion of the School they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	Government-wide Statements	Fund Statements Governmental Funds
Scope	Entire School	The activities of the School that are not proprietary or fiduciary
Required financial statements	Statement of net position Statement of activities	Balance sheet – governmental funds Statement of revenues, expenditures and changes in fund balances – governmental funds
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of net position information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets/deferred outflows of resources expected to be used up and liabilities/deferred inflows of resources that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-wide Financial Statements

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets and deferred outflows of resources and its liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the School's net position and how it has changed. Net position – the difference between the School's assets and deferred outflows of resources and its liabilities and deferred inflows of resources – is one way to measure the School's financial condition. Over time, increases or decreases in the School's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the School, one needs to consider additional non-financial factors such as changes in the School's student base.

The government-wide financial statements of the School are generally divided into three categories:

- *Governmental activities* – most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.
- *Business-type activities* – in certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.
- *Component units* – there currently are no component units included within the reporting entity of the School.

Fund Financial Statements

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is a self-balancing set of accounts which the School uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law, and the School may establish other funds to control and manage money for particular purposes, such as for federal grants.

The School currently has one type of fund:

- *Governmental funds* – most of the School's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the differences between them.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

Net Position

The School's combined net position at June 30, 2014 and 2013 is summarized as follows – see table below.

	Governmental Activities		Increase (Decrease)
	2014	2013	
Current and other assets	\$ 163,764	\$ 142,870	15%
Capital assets, net	<u>18,030</u>	<u>24,274</u>	<u>-26%</u>
Total assets	<u>181,794</u>	<u>167,144</u>	<u>9%</u>
Current and other liabilities	6,712	11,825	-43%
Long-term liabilities	<u>14,820</u>	<u>14,820</u>	<u>0%</u>
Total liabilities	<u>21,532</u>	<u>26,645</u>	<u>-19%</u>
Net position:			
Net investment in capital assets	18,030	24,274	-26%
Restricted	115,290	78,617	47%
Unrestricted	<u>26,942</u>	<u>37,608</u>	<u>-28%</u>
Total net position	<u>\$ 160,262</u>	<u>\$ 140,499</u>	<u>14%</u>

Current and other assets and restricted net position increased from the prior year primarily due to an increase in unspent restricted revenues. Capital assets, net and net investment in capital assets decreased due to current year depreciation expense. Unrestricted net position decreased due to the use of unrestricted funds in the current year.

Change in Net Position

The School's total revenues increased by 11% to \$1,316,179, and the total cost of all programs and services increased by 7% to \$1,296,416 – see table below.

	Governmental Activities		Increase
	2014	2013	(Decrease)
Revenues:			
Federal sources passed through local school district	\$ 96,868	\$ 127,797	-24%
State and local sources	1,088,002	855,292	27%
Contributions and other revenue	131,309	202,152	-35%
Total revenues	1,316,179	1,185,241	11%
Expenses:			
Instruction	882,633	797,910	11%
Instructional-related technology	21,541	20,973	3%
Board	8,815	12,619	-30%
General administration	49,048	37,486	31%
School administration	205,381	198,391	4%
Food services	34,136	38,199	-11%
Operation and maintenance of plant	94,862	102,299	-7%
Total expenses	1,296,416	1,207,877	7%
Change in net position	\$ 19,763	\$ (22,636)	187%

Federal sources passed through local school district decreased due to a decrease in Title I funding. State and local sources increased due to an increase in enrollment. Contributions and other revenue decreased due to a decrease in the revenue from the School's fund raiser.

Instruction and administrative expenses increased due to an increase in salaries and other expenses due to the increase in enrollment. Operation and maintenance of plant decreased due to a decrease in rental expenses as a result of a rate reduction.

Certain reclassifications were made in the 2013 amounts to conform to their classifications in fiscal year 2014.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As the School completed the fiscal year, its governmental funds reported a combined fund balance of \$157,052. Overall, revenues and expenditures increased for the same reasons described above.

General and Special Revenue Fund Budgetary Highlights

Total general fund revenues were more than budgeted amounts by approximately \$66,000. The variance was due to the School receiving more FEFP funding than the amount included in the budget as a result of a larger than expected increase in enrollment, which offset a decrease in the School's Title I funding.

For the year ended June 30, 2014, actual general fund expenditures were approximately \$77,000 above the budgeted amounts. Instruction and administrative expenditures were more than budgeted amounts due to additional salary and other expenses required by the larger than expected enrollment.

For the year ended June 30, 2014, actual special revenue fund revenues and expenditures were approximately \$2,000 above budgeted amounts.

CAPITAL ASSET ADMINISTRATION

At the end of fiscal 2014, the School had invested \$133,084 in capital assets, including computers and furniture, fixtures and equipment. More information about capital assets is included in Note 3 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The following economic indicators were taken into account when adopting the general fund budget for fiscal year 2015:

- Projected increase in student population
- Projected salary increases

Amounts available for appropriation in the general fund are approximately \$1,214,000, an increase of 5% from 2014 actual revenues of \$1,158,973.

Budgeted expenditures are expected to increase to approximately \$1,214,000, an increase of 4% over 2014 actual expenditures of \$1,169,639. The increase is due to an anticipated increase in spending associated with serving a larger number of students.

If these estimates are realized, the School's general fund balance is expected to remain unchanged by the close of fiscal 2015.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 648 W Livingston Street, Orlando, Florida 32801.

Independent Auditor's Report on Basic Financial Statements and Supplementary Information

To the Board of Directors of Nap Ford Community School, Inc., a Charter School
and Component Unit of the District School Board of Orange County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Nap Ford Community School, Inc. (the "School"), a charter school and component unit of the District School Board of Orange County, Florida, as of and for the year ended June 30, 2014, 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 Nap Ford Community School, Inc. as of June 30, 2014, 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.

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 1 – 6 and the budgetary comparison information on pages 25 – 26 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2014 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 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.

BKHM, P.A.

Winter Park, Florida
September 3, 2014

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

STATEMENT OF NET POSITION

JUNE 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 46,964
Accounts receivable	106,800
Endowment	10,000
Capital assets:	
Furniture, fixtures and equipment	108,084
Leasehold improvements	25,000
Less accumulated depreciation	<u>(115,054)</u>
Total capital assets, net	<u>18,030</u>
Total assets	<u><u>\$ 181,794</u></u>
 LIABILITIES	
Accounts payable and accrued expenses	\$ 6,712
Long-term liabilities:	
Due within one year:	
Compensated absences payable	<u>14,820</u>
Total liabilities	<u>21,532</u>
 NET POSITION	
Net investment in capital assets	18,030
Restricted for:	
Capital projects	105,290
Endowment	10,000
Unrestricted	<u>26,942</u>
Total net position	<u>160,262</u>
Total liabilities and net position	<u><u>\$ 181,794</u></u>

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

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental activities:						
Instruction	\$ 882,633	\$ -	\$ 96,868	\$ -	\$ (785,765)	\$ (785,765)
Instructional-related technology	21,541	-	-	-	(21,541)	(21,541)
Board	8,815	-	-	-	(8,815)	(8,815)
General administration	49,048	-	-	-	(49,048)	(49,048)
School administration	205,381	-	-	-	(205,381)	(205,381)
Food services	34,136	-	-	-	(34,136)	(34,136)
Operation and maintenance of plant	94,862	-	-	-	(94,862)	(94,862)
Total primary government	<u>\$ 1,296,416</u>	<u>\$ -</u>	<u>\$ 96,868</u>	<u>\$ -</u>	<u>(1,199,548)</u>	<u>(1,199,548)</u>
General revenues:						
State and local sources					1,088,002	1,088,002
Contributions and other revenue					131,309	131,309
Total general revenues					<u>1,219,311</u>	<u>1,219,311</u>
Change in net position					19,763	19,763
Net position at beginning of year					140,499	140,499
Net position at end of year					<u>\$ 160,262</u>	<u>\$ 160,262</u>

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

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2014

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 46,964	\$ -	\$ 46,964
Accounts receivable	1,510	105,290	106,800
Endowment	10,000	-	10,000
Total assets	\$ 58,474	\$ 105,290	\$ 163,764
 LIABILITIES AND FUND BALANCES			
Accounts payable and accrued expenditures	\$ 6,712	\$ -	\$ 6,712
Total liabilities	6,712	-	6,712
Fund balances:			
Nonspendable:			
Endowment	10,000	-	10,000
Restricted for:			
Capital projects	-	105,290	105,290
Unassigned	41,762	-	41,762
Total fund balances	51,762	105,290	157,052
Total liabilities and fund balances	\$ 58,474	\$ 105,290	\$ 163,764

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

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

JUNE 30, 2014

Total fund balances - total governmental funds	\$ 157,052
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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 \$133,084, and the accumulated depreciation is \$115,054.	18,030
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Amounts accrued for compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	<u>(14,820)</u>
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Total net position - governmental activities	<u><u>\$ 160,262</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

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

FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Federal sources passed through local school district	\$ -	\$ 96,868	\$ -	\$ 96,868
State and local sources	1,029,490	-	58,512	1,088,002
Contributions and other revenue	129,483	-	-	129,483
Total revenues	1,158,973	96,868	58,512	1,314,353
EXPENDITURES				
Current:				
Instruction	775,715	96,868	4,978	877,561
Instructional-related technology	21,541	-	-	21,541
Board	8,815	-	-	8,815
General administration	49,048	-	-	49,048
School administration	202,469	-	1,740	204,209
Food services	34,136	-	-	34,136
Operation and maintenance of plant	77,915	-	9,438	87,353
Total expenditures	1,169,639	96,868	16,156	1,282,663
Net changes in fund balances	(10,666)	-	42,356	31,690
Fund balances at beginning of year	62,428	-	62,934	125,362
Fund balances at end of year	\$ 51,762	\$ -	\$ 105,290	\$ 157,052

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

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

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

FOR THE YEAR ENDED JUNE 30, 2014

Net changes in fund balances - total governmental funds	\$ 31,690
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Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense in the current period. There were no capital outlay expenditures in the current period.	(6,244)
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Governmental funds do not report gift-in-kind rental activity. This is the amount by which gift-in-kind expenses (\$7,509) exceed gift-in-kind rent revenue (\$1,826) in the current period.	<u>(5,683)</u>
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Change in net position of governmental activities	<u><u>\$ 19,763</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Nap Ford Community 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 not-for-profit corporation Board of Directors, which is composed of six members.

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 District School Board of Orange County, Florida (the "School Board"). The current charter is effective until June 30, 2020 and may be renewed in increments of five or fifteen years by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the School Board. Any unencumbered capital outlay funds revert back to the Florida Department of Education ("FDOE") to be distributed among eligible charter schools. The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board's ("GASB") accounting guidance; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units of the School which should be reported with the School's basic financial statements are identified and described in the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. The application of these criteria provides 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 basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

Basis of presentation

The School's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the GASB. Accordingly, both government-wide and fund financial statements are presented.

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

The government-wide financial statements of the School are generally divided into three categories:

- *Governmental activities* – most of the School’s basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program (“FEFP”) and state and federal grants finance most of these activities.
- *Business-type activities* – in certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.
- *Component units* – there currently are no component units included within the reporting entity of the School.

The fund financial statements provide more detailed information about the School’s most significant funds, not the School as a whole. A fund is an accounting entity having a self-balancing set of accounts for recording assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled.

The funds in the financial statements of this report are as follows:

Governmental Funds:

- General Fund - to account for all financial resources not required to be accounted for in another fund.
- Special Revenue Fund - to account for the proceeds of specific revenue sources and grants that are restricted by law or administrative action to expenditure for specific purposes and to provide a single source of accountability for all funds received.
- Capital Projects Fund - to account for all resources for the acquisition of capital items by the School purchased with capital outlay funds.

The general, special revenue and capital projects funds represent the major funds. There are no other governmental funds.

Basis of accounting

Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are presented using the accrual basis of accounting and an economic resources focus. Under the accrual basis of accounting, revenues and expenses are recognized when they occur.

The modified accrual basis of accounting and current financial resources focus is followed by the governmental funds. Under the modified accrual basis, revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
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**NOTES TO FINANCIAL STATEMENTS
(continued)**

collected within 60 days of the end of the fiscal year. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized when due and (2) expenditures related to liabilities reported as general long-term debt are recognized when due.

Budgetary basis accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the fund level.

Cash and cash equivalents

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are held by qualified public depositories and insured by federal depository insurance. The School's cash consists primarily of demand deposits with financial institutions.

Capital assets and depreciation

Expenditures for capital assets acquired for general School purposes are reported in the governmental fund that financed the acquisition. Purchased capital assets are reported at cost, net of accumulated depreciation, in the government-wide financial statements. Donated assets are recorded at their approximate fair value at the date of donation.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

	<u>Years</u>
Furniture, fixtures and equipment	3 - 7
Leasehold improvements	10

Information relative to changes in capital assets is described in Note 3.

Compensated absences

Compensated absences (i.e. paid absences for employee vacation leave and sick leave) are recorded as expenditures in governmental funds when leave is used or when accrued as payable to employees entitled to cash payment in lieu of taking leave. In the government-wide financial statements, compensated absences are recorded as an expense when earned by the employees. The liability for compensated absences is classified as a long-term liability that is due within one year because the amount of vacation and sick time to be used after the following year cannot be reasonably estimated.

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Restricted fund balance

Restricted fund balance in the capital projects fund as of June 30, 2014 represents the unspent portion of capital outlay funds, which must be used for lawful capital outlay expenditures.

Income taxes

The School is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for federal income taxes is included in the accompanying financial statements.

The School has adopted guidance related to accounting for uncertainty in income taxes, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. This guidance is applicable to not-for-profit organizations that may be conducting unrelated business activities, which are potentially subject to income taxes, including state income taxes.

The School assesses its income tax positions, including its continuing tax status as a not-for-profit entity, and recognizes tax benefits only to the extent that the School believes it is “more likely than not” that its tax positions will be sustained upon an examination by the Internal Revenue Service (“IRS”) or the applicable state taxing authority. Accordingly, there is no provision for federal income taxes in the School’s financial statements, as the School believes all tax positions, including its continuing status as a not-for-profit entity, have a greater than 50% chance of realization in the event of an IRS audit. State income taxes, which may be due in certain jurisdictions, have been assessed following the same “more likely than not” measurement threshold. With few exceptions, the School is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2010.

Revenue sources

Revenues for current operations are received primarily from the School Board pursuant to the funding provisions included in the School’s charter. As such, the School’s revenue stream is largely dependent upon the general state of the economy and the amounts allotted to the FDOE by the state legislature. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the School reports the number of full-time equivalent students and related data to the School Board.

Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of full-time equivalent students and related data to the FDOE for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. The School Board receives a 5% administrative fee from the School, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
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**NOTES TO FINANCIAL STATEMENTS
(continued)**

The School receives federal awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures and, as such, any expended amounts are reflected as restricted in the accompanying financial statements.

Fund balance spending policy

The School's adopted spending policy is to spend from restricted fund balance first, followed by committed, assigned, then the unassigned fund balance. Most funds were designated for one purpose at the time of their creation. Therefore, expenditures made out of the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. If expenditures are incurred that meet the purpose of more than one fund, they will be allocated to restricted fund balance first and then follow the order above. Funds can only be committed by formal action of the Board of Directors. The Board of Directors has delegated authority to assign funds to the Executive Director up to the amount of \$50,000. There are no minimum fund balance requirements for any of the School's funds.

Use of estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the date of the balance sheet and affect revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates

Subsequent events

The School has adopted guidance that requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date (that is, whether that date represents the date the financial statements were issued or were available to be issued). The School has evaluated subsequent events through September 3, 2014, which is the date the financial statements were available to be issued.

**NAP FORD COMMUNITY SCHOOL, INC.
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**NOTES TO FINANCIAL STATEMENTS
(continued)**

2 ACCOUNTS RECEIVABLE

Accounts receivable in the accompanying financial statements include \$105,290 in capital outlay funds receivable from the School Board. The capital outlay amount is reflected as restricted net position in the accompanying statement of net position and restricted fund balance in the accompanying balance sheet – governmental funds since it must be spent for lawful capital outlay expenditures. Based on the collectibility of funds from these sources, the School believes that an allowance for doubtful accounts is not considered necessary.

3 CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Furniture, fixtures and equipment	\$ 108,084	\$ -	\$ -	\$ 108,084
Leasehold improvements	25,000	-	-	25,000
	<u>133,084</u>	<u>-</u>	<u>-</u>	<u>133,084</u>
Total capital assets being depreciated				
	<u>133,084</u>	<u>-</u>	<u>-</u>	<u>133,084</u>
Less accumulated depreciation for:				
Furniture, fixtures and equipment	(100,060)	(3,744)	-	(103,804)
Leasehold improvements	(8,750)	(2,500)	-	(11,250)
	<u>(108,810)</u>	<u>(6,244)</u>	<u>-</u>	<u>(115,054)</u>
Total accumulated depreciation				
	<u>(108,810)</u>	<u>(6,244)</u>	<u>-</u>	<u>(115,054)</u>
Governmental activities capital assets, net	<u>\$ 24,274</u>	<u>\$ (6,244)</u>	<u>\$ -</u>	<u>\$ 18,030</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 5,072
School administration	<u>1,172</u>
Total governmental activities depreciation expense	<u>\$ 6,244</u>

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

4 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

The following is a schedule of state and local revenue sources and amounts:

District School Board of Orange County, Florida:	
Florida Education Finance Program	\$ 579,586
Class size reduction	189,841
Special millage	65,382
Discretionary millage funds	48,341
Capital outlay	58,512
Supplemental academic instruction	30,126
Teacher salary allocation	25,296
ESE guaranteed allocation	20,858
Instructional materials	11,237
Compression adjustment	4,994
Safe schools	3,420
Miscellaneous state funds	3,020
Discretionary lottery funds	1,424
Additional allocation	517
	1,042,554
Community coordinated care	45,448
Total	\$ 1,088,002

The administration fee paid to the School Board during the year ended June 30, 2014 totaled approximately \$49,000, which is reflected as general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances - governmental funds.

5 RISK MANAGEMENT PROGRAM

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
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**NOTES TO FINANCIAL STATEMENTS
(continued)**

6 CONTINGENT LIABILITIES

Grants

The School participates in state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable as of June 30, 2014 may be impaired.

In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Legal matters

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

7 RETIREMENT PROGRAM

Defined benefit plan

All regular employees of the School are covered by the Florida Retirement System ("FRS"). The FRS is primarily a State-administered, cost-sharing, multiple-employer, defined benefit retirement plan ("Plan"). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of the FRS. Benefits in the Plan vest at six years of service for employees enrolled prior to July 1, 2011 and eight years for employees enrolled subsequent to July 1, 2011. The Plan also includes an early retirement provision, but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability and death benefits and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

**NAP FORD COMMUNITY SCHOOL, INC.
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**NOTES TO FINANCIAL STATEMENTS
(continued)**

A Deferred Retirement Option Program (“DROP”) subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with a FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust and accrue interest. The School had no DROP participants during fiscal 2014.

Funding policy

The contribution rates for members are established, and may be amended, by the State of Florida. During the 2014 fiscal year, contribution rates were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular	3%	6.95%
Florida Retirement System, Reemployed Retiree	(B)	(B)

- (A) Employer rates include 1.20% for the Retiree Health Insurance Subsidy and 0.03% for administration of the Florida Retirement System Investment Plan and provision of educational tools for both plans, and any applicable unfunded actuarial liability rates.
- (B) Contribution rates are dependent upon the retirement class in which reemployed.

The School’s liability for participation in the Plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the School. The School’s contribution to the Plan for the year ended June 30, 2014 totaled \$51,504, which was equal to the required contributions for the fiscal year.

Defined contribution plan

Effective July 1, 2002, the Public Employee Optional Retirement Program (“PEORP”) was implemented as a defined contribution plan alternative available to all FRS members in lieu of the defined benefit plan. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PEORP is funded by employer contributions that are based on salary and membership class (i.e.: regular class, reemployed retiree, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The School had no PEORP participants during fiscal 2014.

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS
(continued)**

Pension reporting

The financial statements and other supplemental information of the FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained by contacting the Florida Department of Financial Services in Tallahassee, Florida. Also, an annual report on the FRS, which includes its financial statements, required supplemental information, actuarial report and other relevant information, may be obtained from the State of Florida, Division of Retirement in Tallahassee, Florida.

8 SCHOOL FACILITY

The use of the school facilities was provided to the School during fiscal 2014 from The City of Orlando with no rental or leasing fee. In management's opinion, the value of facilities utilized by the School was significant; therefore, any substantial changes in this arrangement could have a material effect on the School's operations. The value of the facilities was not estimated or recorded in the financial statements during fiscal 2014 since the School has not yet determined a reasonable value for the use of the facilities.

9 ENDOWMENT

During fiscal year 2011, the School established the Nap Ford Community School Endowment Fund (the "Fund") with the Community Foundation of Central Florida (the "Foundation") with an initial contribution of \$10,000. The purpose of this Fund is to assist with advancing the mission of the School. Under the terms of the agreement, the Foundation shall administer the funds in accordance with its policies and shall make distributions from the Fund in accordance with a spending policy adopted by the Foundation's board. According to the Foundation's spending policy, the amount available for distribution from the Fund shall be four percent of the Fund's market value of invested assets over the preceding 20 quarters and funds must be invested for at least 12 months before any distributions can be made.

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
State and local sources	\$ 918,765	\$ 918,765	\$ 1,029,490	\$ 110,725
Contributions and other revenue	174,159	174,159	129,483	(44,676)
Total revenues	<u>1,092,924</u>	<u>1,092,924</u>	<u>1,158,973</u>	<u>66,049</u>
EXPENDITURES				
Current:				
Instruction	736,131	736,131	775,715	(39,584)
Instructional-related technology	16,379	16,379	21,541	(5,162)
Board	12,500	12,500	8,815	3,685
General administration	43,688	43,688	49,048	(5,360)
School administration	183,750	183,750	202,469	(18,719)
Food services	29,208	29,208	34,136	(4,928)
Operation and maintenance of plant	71,268	71,268	77,915	(6,647)
Total expenditures	<u>1,092,924</u>	<u>1,092,924</u>	<u>1,169,639</u>	<u>(76,715)</u>
Net changes in fund balance	-	-	(10,666)	(10,666)
Fund balances at beginning of year	<u>62,428</u>	<u>62,428</u>	<u>62,428</u>	<u>-</u>
Fund balance at end of year	<u>\$ 62,428</u>	<u>\$ 62,428</u>	<u>\$ 51,762</u>	<u>\$ (10,666)</u>

See independent auditor's report.

**NAP FORD COMMUNITY SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal sources passed through local school district	\$ 94,409	\$ 94,409	\$ 96,868	\$ 2,459
Total revenues	<u>94,409</u>	<u>94,409</u>	<u>96,868</u>	<u>2,459</u>
EXPENDITURES				
Current:				
Instruction	<u>94,409</u>	<u>94,409</u>	<u>96,868</u>	<u>(2,459)</u>
Total expenditures	<u>94,409</u>	<u>94,409</u>	<u>96,868</u>	<u>(2,459)</u>
Net changes in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

**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 of Nap Ford Community School, Inc., a Charter School
and Component Unit of the District School Board of Orange County, 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 Nap Ford Community School, Inc. (the “School”), a charter school and component unit of the District School Board of Orange County, Florida, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated September 3, 2014.

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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

BKHM, P.A.

Winter Park, Florida
September 3, 2014

**ADDITIONAL INFORMATION REQUIRED BY
RULES OF THE AUDITOR GENERAL,
CHAPTER 10.850**

To the Board of Directors of Nap Ford Community School, Inc., a Charter School
and Component Unit of the District School Board of Orange County, Florida

We have audited the financial statements of the governmental activities and each major fund of Nap Ford Community School, Inc. (the "School"), a charter school and component unit of the District School Board of Orange County, Florida, as of and for the year ended June 30, 2014, and have issued our report thereon dated September 3, 2014.

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 Reporting Required by *Government Auditing Standards*

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 September 3, 2014, 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. There were no findings or recommendations in the preceding annual financial audit report

Financial Condition

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require that we apply appropriate procedures to determine 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 conditions 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.

Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, require that we apply 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 financial information provided by same. The financial condition assessment was done as of the fiscal year-end.



Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures to determine 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 website 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the school. The name of the School is Nap Ford Community School, Inc.

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 of the School and is not intended to be and should not be used by anyone other than these specified parties.

BKHM, P.A.

Winter Park, Florida
September 3, 2014