



COMMUNITY CHARTER
MIDDLE SCHOOL OF
EXCELLENCE
RESPECT • READINESS • RESPONSIBILITY • "Right Excellence"
EST. 2009

**COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA**

**BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

JUNE 30, 2015

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
TABLE OF CONTENTS
JUNE 30, 2015

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements	
Balance Sheet – Governmental Funds	10
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Governmental Funds	26
Regulatory Reports	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on the Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28
Management Letter	30

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Charter Middle School of Excellence, Inc.
a Charter School and Component Unit of
the School District of Hillsborough County
Tampa, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Community Charter Middle School of Excellence, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida (the "School") 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 *Governmental 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 Community Charter Middle School of Excellence, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida, as of June 30, 2015, and the respective changes in financial position for

the year then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 25, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–7 and 26–27 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.



Indian Shores, Florida
September 25, 2015

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Our discussion and analysis of Community Charter Middle School of Excellence, Inc., a component unit and charter school of the School District of Hillsborough County, Florida, (the “School”) financial program provides an overview of the School’s financial and non-financial activities for the year ended June 30, 2015. In addition, the discussion and analysis will also provide the following information:

- How the basic financial statements relate to each other and the significant differences of information they provide.
- A comparative analysis of current and prior year financial information to provide reasons for significant changes that significantly affected current year operations.
- An analysis of fund financial information and a review of significant changes in fund balance.
- An analysis of significant variations between original and final budgeted amounts and actual results of operations.
- A description of currently known facts, decisions, or conditions that are expected to have a significant effect on the School’s prospects for the future.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS:

The basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School’s financial position. Included in these statements are assets and liabilities using the accrual method of accounting.

The Statement of Net Position presents information on all of the School’s assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may be an indicator of improving or deteriorating financial conditions. The Statement of Activities presents information about the change in net position and results of operations during the most recent fiscal year. All results of operations, changes in net position, and results of operations are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to demonstrate compliance with finance related legal requirements and

**COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (continued):

prudent fiscal management. Fund financial statements provide more detailed information about financial activities focusing on its most significant funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-25 of this report.

Government-Wide Financial Analysis:

As noted earlier, net position may over time serve as a useful indicator of the School's financial position when the current and prior years are compared.

	Net Position	
	2015	2014
Current and other assets	\$ 61,261	\$ 100,493
Capital assets, net of accumulated depreciation	28,340	78,499
Total assets	89,601	178,992
 Current liabilities	 32,870	 93,871
 Net position:		
Invested in capital assets	28,340	78,499
Restricted	-	-
Unrestricted	28,391	6,622
Total net position	\$ 56,731	\$ 85,121

The School's total net position has declined due to the effects of depreciation of capital assets.

This space left blank intentionally

**COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (continued):

Revenues for governmental activities totaled \$640,653 for the year ended June 30, 2015. The main source of revenue was from the Florida Education Finance Program (“FEFP”). FEFP revenue of \$423,911 represented approximately 66% of total revenue for the 2015 fiscal year.

<u>Revenue Source</u>	<u>Amount</u>	<u>Percent of Total</u>
Federal sources	\$ 81,276	12.69%
State sources	549,652	85.79%
Food service	9,725	1.52%
Total	<u>\$ 640,653</u>	<u>100.00%</u>

Title I funds of \$35,938 were obtained by management during fiscal year 2015 to assist in the development and acquisition of various educational materials and services.

This space left blank intentionally

**COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (continued):

	<u>Changes in Net Position</u>	
	<u>2015</u>	<u>2014</u>
Revenues:		
Program Revenues:		
Operating grants and contributions	\$ 108,968	\$ 65,215
General revenues:		
State through local school district	521,960	502,993
Other revenue	9,725	672
Total revenues	<u>640,653</u>	<u>568,880</u>
Program expenses:		
Instruction	338,087	296,972
Instruction and curriculum	1,310	13,384
Technology services	2,575	4,502
Food services	46,156	36,558
School administration	80,438	90,963
Operation of plant	71,258	47,463
Maintenance of plant	235	27,518
Board	5,450	-
Management fees	7,368	68,266
School District administration fee	26,098	24,326
Fiscal services	23,230	-
Transportation	2,438	3,582
Capital outlay - rent	64,400	49,842
Total program expenses	<u>669,043</u>	<u>663,376</u>
Increase (decrease) in net assets	<u>\$ (28,390)</u>	<u>\$ (94,496)</u>

Current Year/Prior Year Analysis:

Financial Analysis of Individual Funds

An analysis of current year to prior year balances and transactions provide reasons for significant changes in fund balances and/or net position and whether any restrictions, commitments, or other factors could affect the availability of resources for future use.

**COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (continued):

- The fund balance of the General Fund increased in 2015 by \$21,769, from \$6,622 to \$28,391.
- Actual revenue in all funds increased in 2015 by approximately \$71,773, from \$568,880 in 2014 to \$640,653 in 2015.

Capital Assets

- Capital assets' net book value decreased by \$50,159 during the year due to the net effect of acquisition of capital assets during the year of \$0 and \$50,159 of depreciation expense.
- The School made no borrowings during fiscal year 2015.

Budgetary Highlights in the General Fund

Actual revenue in the General Fund was \$521,960.

Instruction and other expenditures in the general fund were under revenue by \$63,867.

The General Fund balance at June 30, 2015 was \$28,391, an increase of \$21,769 from June 30, 2014 due to the net effect of revenues exceeding expenditures by \$63,867 and transfers to the special revenue fund and capital projects fund totaling \$42,098.

Significant Economic Factors for the Future

Subsequent to June 30, 2015 the School combined with a related entity, Community Charter School of Excellence, to create a kindergarten through grade 8 charter school. Community Charter School of Excellence will serve the educational needs of the former students of the School. Community Charter School of Excellence anticipates a total student population of 216 and has prepared a budget forecasting a surplus of \$9,073 for the fiscal year ending June 30, 2016.

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2015
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2014)

	Governmental Activities	2014
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 58,161	\$ 76,514
Due from Hillsborough County School District	-	18,012
Prepaid expenses	3,100	1,767
	61,261	96,293
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	28,340	78,499
OTHER ASSETS:		
Deposits	-	4,200
Total assets	\$ 89,601	\$ 178,992
<u>LIABILITIES AND NET POSITION</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 465	\$ 6,157
Due to other funds	-	18,196
Due to related entity	32,405	1,252
Due to management company	-	68,266
Total current liabilities	32,870	93,871
NET POSITION:		
Invested in capital assets	28,340	78,499
Restricted	-	-
Unrestricted	28,391	6,622
Total net position	56,731	85,121
Total liabilities and net position	\$ 89,601	\$ 178,992

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

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE DATA FOR THE YEAR ENDED JUNE 30, 2014)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	2014 Total
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities:						
Instruction	\$ 338,087	\$ -	\$ 35,938	\$ -	\$ (302,149)	\$ (277,615)
Instruction and curriculum	-	-	-	-	-	(13,384)
Student personnel services	1,310	-	-	-	(1,310)	-
Technology services	2,575	-	-	-	(2,575)	(4,502)
Food services	46,156	9,725	45,338	-	8,907	5,709
School administration	80,438	-	-	-	(80,438)	(90,963)
Operation of plant	71,258	-	-	-	(71,258)	(47,463)
Maintenance of plant	235	-	-	-	(235)	(27,518)
Board	5,450	-	-	-	(5,450)	-
Management fees	7,368	-	-	-	(7,368)	(68,266)
School District administration fee	26,098	-	-	-	(26,098)	(24,326)
Fiscal services	23,230	-	-	-	(23,230)	-
Transportation	2,438	-	-	-	(2,438)	9
Capital outlay - rent	64,400	-	27,692	-	(36,708)	(49,842)
Total governmental activities	<u>\$ 669,043</u>	<u>9,725</u>	<u>\$ 108,968</u>	<u>\$ -</u>	<u>(550,350)</u>	<u>(598,161)</u>
General Revenues:						
					-	-
					521,960	502,993
					-	672
					<u>521,960</u>	<u>503,665</u>
					(28,390)	(94,496)
					85,121	179,617
					<u>\$ 56,731</u>	<u>\$ 85,121</u>

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

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<u>ASSETS</u>				
CURRENT ASSETS				
Cash	\$ 58,161	\$ -	\$ -	\$ 58,161
Prepaid expenses	3,100	-	-	3,100
Total current assets	\$ 61,261	\$ -	\$ -	\$ 61,261
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable and accrued expenses	\$ 465	\$ -	\$ -	\$ 465
Due to related entity	32,405	-	-	32,405
Total current liabilities	32,870	-	-	32,870
FUND BALANCES				
Nonspendable				
Prepaid expenses	3,100	-	-	3,100
Unassigned	25,291	-	-	25,291
Total fund balances	28,391	-	-	28,391
Total liabilities and fund balances	\$ 61,261	\$ -	\$ -	\$ 61,261

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

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Fund Balances - Governmental Funds	\$ 28,391
------------------------------------	-----------

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

<u>28,340</u>

Total net position - Governmental activities
--

<u><u>\$ 56,731</u></u>

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

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES:				
Federal passed through local school district	\$ -	\$ 81,276	\$ -	\$ 81,276
State passed through local school district	521,960	-	27,692	549,652
Food service	-	9,725	-	9,725
Total revenues	<u>521,960</u>	<u>91,001</u>	<u>27,692</u>	<u>640,653</u>
EXPENDITURES:				
Current:				
Instruction	246,972	50,235	-	297,207
Student personnel services	1,310	-	-	1,310
Technology services	2,575	-	-	2,575
Food services	-	46,156	-	46,156
School administration	80,438	-	-	80,438
Operation of plant	61,979	-	-	61,979
Maintenance of plant	235	-	-	235
Board	5,450	-	-	5,450
Management fees	7,368	-	-	7,368
School District administration fee	26,098	-	-	26,098
Fiscal services	23,230	-	-	23,230
Transportation	2,438	-	-	2,438
Capital outlay - rent	-	-	64,400	64,400
Total expenditures	<u>458,093</u>	<u>96,391</u>	<u>64,400</u>	<u>618,884</u>
Excess (deficiency) of revenues over (under) expenditures	63,867	(5,390)	(36,708)	21,769
Other financing sources (uses):				
Transfers in	-	5,390	36,708	42,098
Transfers out	<u>(42,098)</u>	<u>-</u>	<u>-</u>	<u>(42,098)</u>
Total other financing sources (uses)	<u>(42,098)</u>	<u>5,390</u>	<u>36,708</u>	<u>-</u>
Net change in fund balance	21,769	-	-	21,769
Fund balance - July 1, 2014	<u>6,622</u>	<u>-</u>	<u>-</u>	<u>6,622</u>
Fund balance - June 30, 2015	<u>\$ 28,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,391</u>

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

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
JUNE 30, 2015

Net Change in Fund Balances - Governmental Funds	\$ 21,769
--	-----------

Amounts reported for governmental activities in the statement of net position 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 as depreciation and amortization expense. The amount by which depreciation expense exceeds capital outlay in the current period is:

	<u>(50,159)</u>
Change in net position of governmental activities	<u><u>\$ (28,390)</u></u>

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

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The Community Charter Middle School of Excellence, Inc., a component unit and charter school of the School District of Hillsborough County, Florida (the “School”) is a not-for-profit corporation and operates as a Charter School pursuant to a Charter School Contract (the “Contract”) with the School District of Hillsborough County, Florida (the “District”). The School is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Under the Contract the School provides a sixth through eighth grade middle school education to children who reside in Hillsborough County. The School is governed by a Board of Directors composed of five members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The current charter is for a term of four years beginning July 1, 2011. The charter may be renewed as provided in Section 1002.33, Florida Statutes, upon mutual consent between the School and the District and execution of a written renewal. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least ninety days prior to the charter’s expiration. The School contract provides in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown.

Subsequent to the balance sheet date of June 30, 2015, the School combined with Community Charter School of Excellence, Inc., a charter school and component unit of the District and a related entity. All assets and liabilities of the School transferred to the related entity. See Note 11 for additional details.

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

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements provide information about the School's overall financial condition in a manner similar to a private-sector business. A Statement of Net Position and Statement of Activities report on the accrual basis of accounting using an economic resources measurement focus for governmental activities as the School does not engage in any business type activities. The Statement of Net Position provides information about the School's financial position, with the difference between assets and liabilities reported as net position. The Statement of Activities presents information about the change in the School's net position and the results of its operations during the fiscal year. An increase or decrease in net position is an indication of improving or deteriorating financial health.

Fund Financial Statements

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. 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 using the current financial resources measurement focus on a modified accrual basis of accounting. The School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. The current financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statement provides a detailed short-term view that may be used to evaluate the School's near-term financing requirements. The School considers revenues collected within sixty days from year-end to be available for revenue recognition in the governmental and fund financial statements.

The School has no Internal Service Fund, or Debt Service Fund.

The Academy utilizes the following major governmental funds:

General Fund – Accounts for all financial activity not required to be accounted for in another fund.

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

Special Revenue Fund – Accounts for the proceeds of specific revenue sources and grants that are restricted by law or administrative action to expenditures for a specific purpose and to provide a single source of accountability for monies received.

Capital Projects Fund – Accounts for the proceeds of specific revenue sources and grants that are restricted by law or administrative action to expenditures for a specific purpose and to provide a single source of accountability for monies received.

The fund balance reporting model is designed to clarify fund balance into classifications, nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. See Note 5 for a detailed presentation of fund balance.

Budgetary Basis of Accounting

The School's annual budgets are adopted for the entire operations and presented on the modified accrual basis of accounting and may be amended by the Board of Directors. Since the budgetary basis differs from generally accepted accounting principles ("GAAP"), budgetary and actual amounts in the accompanying required supplementary information are presented on the budgetary basis. A reconciliation to a surplus of revenues over expenditures presented in conformity with GAAP is set forth in the adjustments to the required supplementary information.

Cash

Cash deposits consist primarily of demand deposits included in pooled cash, held by banks which are qualified as public depositories under Florida law. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Corporation (the "FDIC") and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Capital Assets

Expenditures for capital assets acquired for School purposes are reported in Governmental Funds that financed the acquisition; whereas the acquired capital assets are capitalized (recorded) at cost in the Statement of Net Position. Donated capital assets are recorded at their estimated fair market value at the date of donation. The School's policy is to capitalize all capital assets having a useful life of more than one year and an initial cost of \$1,000 or greater.

**COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	Estimated Useful Lives (years)
Furniture	7
Office equipment	6
Computer equipment	3
Improvements other than buildings	5
Leasehold improvements	2

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Income Taxes

The School is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. The School has evaluated its tax position for all open tax years and has not identified any uncertain tax positions and is not subject to any Internal Revenue Service examination prior to year ending June 30, 2013.

Use of Estimates

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

Comparative Data

Comparative data for the prior year has been presented for certain sections of the accompanying basic financial statements to provide an understanding of the changes in the School’s financial position and operations.

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Revenue Sources

Revenues for current operations are received primarily from the State of Florida passed through the District to the School pursuant to the funding provisions included in the charter. Under the provisions of Section 1011.62, Florida Statutes the number of full-time equivalent (FTE) students and related data are reported to the Florida Department of Education (FDE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect revised calculations by the FDE under the FEFP and actual weighted FTE students reported by the School during designated FTE student survey periods.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2, Florida Statutes. For the 2014-2015 school year, the school reported 89.5 unweighted FTE. Weighted funding represents approximately 4% of total state funding.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC)
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC)
- Procedural safeguards for weighted programs (Rule 6A-603411, FAC)
- Evaluation and planning documents for weighted programs (Sections 1011.62(1)(e), FS, and Rule 6A-6.03411, FAC)

The School, from time to time, also receives federal grant awards and State financial assistance for the enhancement of various educational programs. Federal awards and State financial assistance are generally received based on an application submitted to and approved by various granting agencies. For federal awards and state financial assistance 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. This activity is recorded in the Special Revenue Fund and Capital Projects Fund.

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – CAPITAL ASSETS:

Capital assets activity for the year ended June 30, 2015 is as follows:

	Balance at July 1, 2014	Additions	Deletions	Balance at June 30, 2015
	<u>2014</u>	<u> </u>	<u> </u>	<u>2015</u>
Capital assets depreciated:				
Leasehold improvements	\$ 51,085	\$ -	\$ -	\$ 51,085
Furniture, fixtures and equipment	77,372	-	-	77,372
Software	56,395	-	-	56,395
Library	8,343	-	-	8,343
Total capital assets depreciated	<u>193,195</u>	<u>-</u>	<u>-</u>	<u>193,195</u>
Less accumulated depreciation:				
Leasehold improvements	(23,249)	(9,279)	-	(32,528)
Furniture, fixtures and equipment	(50,863)	(20,415)	-	(71,278)
Software	(36,001)	(18,799)	-	(54,800)
Library	(4,583)	(1,666)	-	(6,249)
Total accumulated depreciation	<u>(114,696)</u>	<u>(50,159)</u>	<u>-</u>	<u>(164,855)</u>
Total capital assets, net	<u>\$ 78,499</u>	<u>\$ (50,159)</u>	<u>\$ -</u>	<u>\$ 28,340</u>

For the year ended June 30, 2015 depreciation expense of \$50,159 was charged to the instruction and operation of plant functions as follows:

Depreciation by Function

Instruction	\$ 40,880
Operation of plant	<u>9,279</u>
	<u>\$ 50,159</u>

NOTE 3 - RISK MANAGEMENT:

The School is exposed to various risks of loss in the normal course of operations which are related to theft, damage or destruction of assets, errors and omissions, injuries to others and natural disasters. The School purchases commercial insurance for, general liability, commercial property, motor vehicle, and errors and omissions coverage.

For year ending June 30, 2015 the School incurred no liability or casualty losses in excess of insurance coverage.

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 - REVENUE SOURCES:

The School receives revenues for current operations primarily from the State of Florida through the District as detailed in the following schedule of revenue sources and amounts:

<u>Sources</u>	<u>General Fund</u>	<u>2014 Total</u>
State and local sources passed through the School District of Hillsborough County:		
Florida Education Finance Program (FEFP)	\$ 423,911	\$ 385,239
Instruction materials	6,724	6,637
Class size reduction	78,919	78,072
Supplemental Academic Instruction (SAI categorical)	12,406	16,575
School recognition award	- *	10,250 *
Reading allocation	- *	5,000 *
Transportation	- *	3,591 *
Teacher lead	- *	1,220 *
	<u>\$ 521,960</u>	<u>\$ 506,584</u>
Total state and local sources		

* Not subject to the District's administrative fee.

An administrative fee, equivalent to 5% of the funding reported in the schedule above, was withheld by the District totaling \$26,098 for 2015. The administrative fee of \$26,098 is reported in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds for the year ended June 30, 2015.

NOTE 5 – FUND BALANCE:

The fund balance reporting model is designed to clarify fund balance reporting into classifications; nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

Nonspendable Fund Balance

Generally means assets not expected to be converted to cash.

The nonspendable fund balance of \$3,100 is reported as prepaid expenses on the balance sheet, and consists of a \$2,500 retainer for professional services, and \$600 of prepayments to a related entity.

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 – FUND BALANCE (continued):

In the governmental fund financial statements fund balance is reported in five classifications.

- **Nonspendable fund balance**, generally means fund balance not expected to be converted to cash. Prepaid expenses of \$3,100 are assets unavailable for future use.
- **Restricted fund balance** is a portion of fund balance that constraints have been placed on the use of resources by external parties such as creditors, grantors, contributors, or laws and regulations of other governments. There is no restricted fund balance.
- **Committed fund balance** is used for a specific purpose pursuant to constraints imposed by formal action of the School's highest level of decision making authority. There is no committed fund balance.
- **Assigned fund balance** is amounts constrained by the Academy's intent to be used for specific purposes, but are neither restricted nor committed. Assignment ability can be delegated by the board of directors to the School's Principal. There is no assigned fund balance.
- **Unassigned fund balance** is the lowest classification for the General Fund. This is fund balance that has not been reported in any other classification. The unassigned fund balance at June 30, 2015 is \$25,291.

Spending Policies of the Academy

The School considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, or unassigned amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The Community Charter Middle School of Excellence, Inc. has a revenue spending policy that provides policy for programs with multiple revenue sources. The finance officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-city funds, city funds, and funds passed through the District. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly, unassigned fund balance. The finance officer has the authority to deviate from this policy if it is in the best interest of the School.

**COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 – INTERFUND TRANSFERS:

During fiscal year 2015 the General Fund transferred \$5,390 to the Special Revenue Fund and \$36,708 to the Capital Projects Fund due to expenditures exceeding revenue in the instruction program and capital outlay - rent by a total of \$42,098.

NOTE 7 – RELATED PARTY TRANSACTIONS:

The School shares space, certain other costs, and reimbursements, with Community Charter School of Excellence, Inc. (CCSE), another charter school, and component unit of the District. CCSE is a related entity, which shares a common board of directors and administrator. From time to time throughout the year the School has a receivable or payable to CCSE as certain costs and reimbursements are shared. At June 30, 2015, the School reported a liability of \$32,405 due to CCSE for shared costs. During fiscal year 2015 the School incurred \$79,155 of costs associated with the shared lease and electricity, and paid CCSE \$46,750 as its portion of the shared costs. During fiscal year 2015 a total of \$45,338 of National School Lunch Program (NSLP) reimbursements were passed through to the School from CCSE. See Note 8 for additional information.

NOTE 8 – COMMITMENTS:

The School entered into a lease agreement for fourteen thousand nine hundred and twenty-three (14,923) square feet of classroom space and moved its education facility to 11604 N. 15th Street, Tampa, Florida 33612. The lease with Validus Group Partners Limited is for a two (2) year period commencing on August 1, 2013 and expires on July 31, 2015 with an option of a five (5) year lease extension at market rates. See Note 7 for additional information.

The School shares its campus with Community Charter School of Excellence, Inc., a related entity, and is allocated 50% of the campus during the year for its administrative, library, cafeteria and classroom space under an operating lease. Under the terms of the lease agreement the minimum monthly lease payments are \$5,367 per month, which includes utilities and maintenance of common areas. Property rental cost for the School for the year ended June 30, 2015 was \$64,400.

As described in Note 11, subsequent to the balance sheet date of June 30, 2015 the School combined with a related entity to form a kindergarten through grade eight charter school. Effective July 1, 2015, the combined schools will operate as Community Charter School of Excellence, Inc. and all assets and liabilities of the School will be transferred to Community Charter School of Excellence, Inc., a charter school and component unit of

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – COMMITMENTS (continued):

the District, and a tax exempt entity under Internal Revenue Code 501(c)3. Therefore, effective July 1, 2015, there are no future commitments associated with the School.

NOTE 9 – MANAGEMENT STRUCTURE:

All policy decisions, including the annual budget, are formulated by the Board of Directors. The Board of Directors has the powers reasonably necessary to manage, operate, maintain and discharge the duties of the School to include adopting budgets; enter into contracts; adopt, publish, promulgate and enforce rules and regulations; employ on behalf of the School; managers, independent contractors, and any other employees deemed necessary; and acquire, sell, operate, lease, manage, and otherwise trade and deal with property, real and personal.

On May 7, 2011 the School entered into an agreement (the “Agreement”) with The Leona Group Florida, L.L.C. (TLG), a Florida limited liability company, to facilitate the continuation of the School by performing certain functions relating to the provision of educational services and the management and operation of the School in accordance with enrollment, age, and grade level specifications for the School. This Agreement was terminated effective September 30, 2014. The Agreement may be terminated with cause by either party upon a sixty day notice of material breach, as defined in the contract. The Agreement will automatically renew upon the renewal or extension of the Charter School Contract unless written notice to terminate by either party is received one hundred and eighty days prior to the expiration date of the contract.

TLG shall be responsible for the following services: 1) implementation and administration of the educational program, 2) management of all personnel functions, 3) sound financial operation of the School, 4) business administration of the School, and 5) installation of necessary technology. The annual management fee for these services is 12% of all sources of gross receipts of the School excluding borrowings undertaken by the School. Additionally, all employees of the School are leased from TLG. See Note 10 for additional details.

The management fee is calculated from revenues as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds for the period ended September 30, 2014 as follows:

**COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9 – MANAGEMENT STRUCTURE (continued):

	Total Governmental Funds
REVENUES:	
Federal passed through local school district	\$ 7,792
State passed through local school district	52,675
Food service	933
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	61,400
Management fee (12% of revenue)	\$ 7,368

The management fee of \$7,368 is reported in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds for the year ended June 30, 2015.

NOTE 10 – RETIREMENT PLAN:

All administrative, professional, and clerical staff of the School were leased employees from TLG under the Agreement through September 30, 2014. The School participated in the management company’s 401(k) retirement plan which covers substantially all employees. Under the plan, employees may elect to have a portion of salary withheld from pre-tax wages for investment in the plan, subject to limitations imposed by Internal Revenue Service regulations. The School may, at its option, contribute a percentage of each participant’s elective deferral and the percentage will be determined from year to year. Under ERISA Section 404(c) the employee directs the investment of their contribution and the School’s contribution, if applicable, from information provided by the financial institution managing the investment options. The total contribution made by the School to the retirement plan was \$136 for the year ended June 30, 2015 and is reported in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds and Statement of Activities according to function..

Effective October 1, 2014 all administrative, professional, and clerical staff of the School were leased through ADP, LLC, and there is currently no retirement plan available.

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 – SUBSEQUENT EVENTS:

Management has evaluated all events subsequent to the balance sheet date of June 30, 2015 through September 25, 2015, which is the date these financial statements were available to be issued.

On July 1, 2015 the School combined with a related entity, Community Charter School of Excellence, Inc., which shares the school facility and will become a kindergarten through grade eight charter school. Effective July 1, 2015 all sixth through eighth grade students of the School will be served by Community Charter School of Excellence and the net position and fund balances of the School will be transferred to Community Charter School of Excellence, Inc.

This space left blank intentionally

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL – GOVERNMENTAL FUNDS
JUNE 30, 2015

	Governmental Funds							
	General Fund				Special Revenue Fund			
	Original Budget	Final Amended Budget	Actual Amount	Variance with Final Budget Positive (Negative)	Original Budget	Final Amended Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:								
Federal passed through the School District of Hillsborough County	\$ -	\$ -	\$ -	\$ -	\$ 35,625	\$ 83,535	\$ 81,276	\$ (2,259)
State and local sources passed through the School District of Hillsborough County	593,781	593,781	521,960	(71,821)	47,335	-	-	-
Food service	-	-	-	-	-	-	9,725	9,725
Local sources	-	-	-	-	575	-	-	-
Total revenues	593,781	593,781	521,960	(71,821)	83,535	83,535	91,001	7,466
Expenditures:								
Instruction	229,978	228,421	246,972	(18,551)	70,037	69,953	50,235	19,718
Student personnel services	4,000	4,000	1,310	2,690	-	-	-	-
Instructional training	75	75	-	75	-	-	-	-
Technology services	-	5,130	2,575	2,555	-	-	-	-
Food services	-	-	-	-	51,408	50,998	46,156	4,842
School administration	121,003	80,188	80,438	(250)	-	-	-	-
Central services	250	250	-	250	-	-	-	-
Operation of plant	71,354	68,231	61,979	6,252	-	-	-	-
Maintenance of plant	-	2,530	235	2,295	-	-	-	-
Board	5,130	9,250	5,450	3,800	-	-	-	-
Management fees	-	7,368	7,368	-	-	-	-	-
School District administration fee	-	27,446	26,098	1,348	-	-	-	-
Fiscal services	89,404	27,414	23,230	4,184	-	-	-	-
Community services	-	-	-	-	622	622	-	622
Transportation	4,907	4,912	2,438	2,474	-	-	-	-
Capital outlay - rent	-	-	-	-	-	-	-	-
Total expenditures	526,101	465,215	458,093	7,122	122,067	121,573	96,391	25,182
Revenues over (under) expenses	67,680	128,566	63,867	(64,699)	(38,532)	(38,038)	(5,390)	32,648
Other financing sources (uses)								
Transfers in	-	-	-	-	38,532	38,038	5,390	(32,648)
Transfers out	(67,202)	(66,708)	(42,098)	24,610	-	-	-	-
Net change in fund balance	\$ 478	\$ 61,858	21,769	\$ (40,089)	\$ -	\$ -	-	\$ -
Fund balance - July 1, 2014			6,622				-	
Fund balance - June 30, 2015			<u>\$ 28,391</u>				<u>\$ -</u>	

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

COMMUNITY CHARTER MIDDLE SCHOOL OF EXCELLENCE, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL – GOVERNMENTAL FUNDS
JUNE 30, 2015

Governmental Funds				Total Governmental Funds			
Capital Projects Fund							
Original Budget	Final Amended Budget	Actual Amount	Variance with Final Budget Positive (Negative)	Original Budget	Final Amended Budget	Actual Amount	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 35,625	\$ 83,535	\$ 81,276	\$ (2,259)
-	35,730	27,692	(8,038)	641,116	629,511	549,652	(79,859)
-	-	-	-	-	-	9,725	\$ 9,725
-	-	-	-	575	-	-	-
-	35,730	27,692	(8,038)	677,316	713,046	640,653	(72,393)
-	-	-	-	300,015	298,374	297,207	1,167
-	-	-	-	4,000	4,000	1,310	2,690
-	-	-	-	75	75	-	75
-	-	-	-	-	5,130	2,575	2,555
-	-	-	-	51,408	50,998	46,156	4,842
-	-	-	-	121,003	80,188	80,438	(250)
-	-	-	-	250	250	-	250
-	-	-	-	71,354	68,231	61,979	6,252
-	-	-	-	-	2,530	235	2,295
-	-	-	-	5,130	9,250	5,450	3,800
-	-	-	-	-	7,368	7,368	-
-	-	-	-	-	27,446	26,098	1,348
-	-	-	-	89,404	27,414	23,230	4,184
-	-	-	-	622	622	-	622
-	-	-	-	4,907	4,912	2,438	2,474
64,400	64,400	64,400	-	64,400	64,400	64,400	-
64,400	64,400	64,400	-	712,568	651,188	618,884	32,304
(64,400)	(28,670)	(36,708)	(8,038)	(35,252)	61,858	21,769	(40,089)
64,400	28,670	36,708	8,038	102,932	66,708	42,098	(24,610)
-	-	-	-	(67,202)	(66,708)	(42,098)	24,610
\$ -	\$ -	-	\$ -	\$ (35,252)	\$ 61,858	21,769	\$ (40,089)
						6,622	
		\$ -				\$ 28,391	

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

REGULATORY REPORTS

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
Community Charter Middle School of Excellence, Inc.
a Charter School and Component Unit of
the School District of Hillsborough County
Tampa, 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 Community Charter Middle School of Excellence, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida, (the "School") 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 September 25, 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.

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.



Indian Shores, Florida
September 25, 2015

MANAGEMENT LETTER

To the Board of Directors
Community Charter Middle School of Excellence, Inc.
a Charter School and Component Unit of the
School District of Hillsborough County, Florida

Report on the Financial Statements

We have audited the basic financial statements of Community Charter Middle School of Excellence, Inc., a Charter School and Component Unit of the School District of Hillsborough County, Florida (the "School"), as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated September 25, 2015.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reports and Schedules

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 25, 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. There were no significant findings reported in the preceding annual financial audit report.

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 Community Charter Middle School of Excellence, Inc., a charter school and component unit of the School District of Hillsborough County, Florida.

Financial Condition

Sections 10.854(1)(e)2., Rules of the Auditor General, require that we report the results of our determination as to whether or not Community Charter Middle School of Excellence, Inc., a charter school and component unit of the School District of Hillsborough County, Florida 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 Community Charter Middle School of Excellence, Inc., a charter school and component unit of the School District of Hillsborough County, Florida 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 Community Charter Middle School of Excellence, Inc., a charter school and component unit of the School District of Hillsborough County, Florida. It is management's responsibility to monitor Community Charter Middle School of Excellence, Inc., a charter school and component unit of the School District of Hillsborough County, Florida 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. In connection with our audit, we determined that Community Charter Middle School of Excellence, Inc., a charter school and component unit of the School District of Hillsborough County, Florida did not meet any of the conditions described in Sections 10.856(1)(e)6.a. and 10.855(12) Rules of the Auditor General.

Transparency

Section 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 Community Charter Middle School of Excellence, Inc., a charter school and component unit of the School District of Hillsborough County, Florida maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Community Charter Middle School of Excellence, Inc., a charter school and component unit of the School District of Hillsborough County, Florida maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

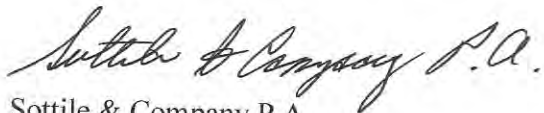
Other Matters

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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

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 School Board of Hillsborough County, Florida, 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.



Sottile & Company P.A.
Indian Shores, Florida
September 25, 2015