

BROMLEY EAST CHARTER SCHOOL

BASIC FINANCIAL STATEMENTS

June 30, 2011

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**JOHN CUTLER
& ASSOCIATES**

Board of Directors
Bromley East Charter School
Brighton, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bromley East Charter School, component unit of Brighton School District 27J, as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements of the School, as listed in the table of contents. These financial statements are the responsibility of Bromley East Charter School's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Bromley East Charter School, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bromley Charter School's basic financial statements. The combining and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

September 30, 2011

Management's Discussion and Analysis

As management of the Bromley East Charter School, we offer readers of the Bromley East Charter School financial statements this narrative overview and analysis of the financial activities of the Bromley East Charter School for the fiscal year ended June 30, 2011.

Financial Highlights

The assets of the Bromley East Charter School exceeded its liabilities at the close of the most recent fiscal year by \$280,850 (net assets) a decrease of \$41,450.

At the close of the fiscal year the Bromley East Charter School's governmental funds reported a combined ending fund balance of \$1,526,933, a decrease of \$66,672.

Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the Bromley East Charter School's basic financial statements. The Bromley East Charter School's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Bromley East Charter School's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Bromley East Charter School's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Bromley East Charter School is improving or deteriorating.

The statement of activities presents information showing how the School's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected grant expenses and earned but unpaid salary and benefits).

The government-wide financial statement of activities distinguish functions/programs of the Bromley East Charter School supported primarily by per pupil operating revenue (PPOR) or property taxes passed through from the District (Brighton School District 27J). The governmental activities of the Bromley East Charter School include instruction and supporting expenses.

The government-wide financial statements can be found on pages 1-2 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Bromley East Charter School, like other governmental units or charter schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Bromley East Charter School can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Bromley East Charter School maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general and is considered to be major. Non-major funds include the grants fund. Other funds include two internal service funds and an agency fund.

Bromley East Charter School adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

In addition to the general fund, annual appropriations are made for the food service fund and grants fund. Budgetary comparison statements are provided on pages 22, 23 and 24.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the School. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the School's own programs. Total assets and liabilities of the student activity agency fund were \$18,485 for the period ending June 30, 2011.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This information is provided in pages 10-21.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Bromley East Charter School, assets exceeded liabilities by \$280,850 for all government funds as the close of the most recent fiscal year.

Bromley East Charter School's Net Assets

	Governmental Activities <u>30-Jun-11</u>	Governmental Activities <u>30-Jun-10</u>
Cash and other current assets	\$1,974,494	\$2,131,410
Restricted investments	1,808,890	1,804,401
Capital assets, Net	8,224,299	8,449,242
Total Assets	<u>12,007,683</u>	<u>12,385,053</u>
Current liabilities	434,937	507,899
Accrued interest	183,230	186,330
Noncurrent liabilities	11,108,666	11,368,524
Total Liabilities	<u>11,726,833</u>	<u>12,062,753</u>
Net assets		
Invested in capital assets, Net of related debt/Depreciation	(1,425,380)	(1,481,528)
Restricted for		
Emergencies Tabor	149,000	167,000
Reserve for Deposits	10,586	13,254
Reserve for SPED Legal	94,000	94,000
Reserve for repair and replacement	250,000	250,000
Reserved for debt service	1,808,890	1,804,401
Unrestricted	(606,246)	(524,827)
Total Net Assets	<u>\$280,850</u>	<u>\$322,300</u>

The largest portion of the Bromley East Charter School's assets (68.5%) is in net capital assets. 31% percent of total assets represents cash and investments. 2.9% represents bond issue costs. The School's net assets show a decrease due to expenditures exceeding revenue in the General Fund.

**Bromley East Charter School's Change in Net Assets
For the Years Ended June 30, 2011 and June 30, 2010**

	<u>June 30,2011</u>	<u>June 30, 2010</u>
Program Revenue:		
Charges for Services	\$ 184,429	\$ 171,802
Grants and Contributions	494,063	429,838
Total Program Revenue	<u>680,492</u>	<u>601,640</u>
General Revenue:		
Per Pupil Operating Revenue	5,309,640	5,274,871
Mill Levy Revenue	40,500	39,750
Investment Earnings	7,519	138,541
Other	16,893	65,756
Total General Revenue	<u>5,374,552</u>	<u>5,103,583</u>
Total Revenue	<u>6,055,044</u>	<u>5,686,021</u>
Expenses:		
Current:		
Instruction	3,414,354	3,216,866
Supporting Services	2,051,708	1,993,508
Interest and Fiscal Charges	630,432	640,906
Total Expenses	<u>6,096,494</u>	<u>5,851,280</u>
Increase (Decrease) in Net Assets	(41,450)	269,278
Beginning Net Assets, June 30	<u>322,300</u>	<u>53,022</u>
Ending Net Assets, June 30	<u>\$ 280,850</u>	<u>\$ 322,300</u>

Financial Analysis of the Government's Funds

As noted earlier, the Bromley East Charter School uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the Bromley East School's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Bromley East School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, June 30, 2011, the School's governmental funds reported a combined ending fund balance of \$1,526,933, a decrease of \$66,672. The grants fund had no change in fund balance and the food service fund had a small decrease of \$471 to end the year with no equity.

General Fund Budgetary Highlights

The School approves a budget in June based on enrollment projections for the following school year. In October after enrollment stabilizes, adjustments are made to the budget. For FY 10/11, the state continued to reduce per pupil funding. Fortunately the school was able to increase enrollment to mitigate the funding cuts to a great degree. Enrollment for FY 11/12 continues to grow and is currently estimated to exceed an 850 funded pupil count. The increased enrollment along with the states distribution of the \$67.5 million expected in January 2012 should result in a surplus for the year.

Capital Asset and Debt Administration

Capital assets. The Bromley East Charter School's investment in capital assets decreased \$204,249 during the year due to depreciation and amortization in the internal service fund (Building Corporation/Community Education Center). Total depreciation for FY 2010/2011 was \$213,923 resulting in net capital assets of \$8,150,538.

Long-Term Lease Agreement

Bromley East Charter School entered into a lease agreement with the Community Education Center (CEC), Inc in 1999. The bonds under which the lease was based were refinanced in June 2005. Under the terms of the new agreement, Bromley will make monthly lease payments ranging from \$65,655 to \$82,264, commencing June 1, 2005, through June 1, 2035.

The School has agreed to maintain a repair and replacement reserve of \$250,000, to be funded with annual payments of \$50,000 commencing September 15, 2005 with \$100,000 carried over from the 2000 bond issue. The annual payment of \$50,000 in FY 2007/2008 was the last installment to this account. In addition, the School has agreed to maintain an unrestricted fund balance of not less than 5% of total expenses at the end of each fiscal year or approximately \$250,000. The total lease payments will be \$972,531 for FY 2011/12 not included recurring trustee fees.

Economic Factors and Next Year's Budget

In November of 2000 voters in Colorado approved a provision to the Colorado constitution providing that K-12 funding would increase at pupil growth, plus inflation, plus 1% for 10 years and thereafter, growth plus inflation. This provision expired in FY 10/11 and continues without the 1% increase. The FY 2011/12 budget projects the Bromley East Charter School will increase the general fund balance by approximately \$265,000.

Requests for Information

This financial report is designed to provide a general overview of the Bromley East Charter School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bromley East Charter School, Attn: Bart A. Skidmore, CPA, 356 Longspur Drive, Brighton, CO 80601.

BASIC FINANCIAL STATEMENTS

BROMLEY EAST CHARTER SCHOOL

STATEMENT OF NET ASSETS

June 30, 2011

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
ASSETS			
Cash and Investments	\$ 1,912,964	\$ -	\$ 1,912,964
Restricted Investments	1,808,890	-	1,808,890
Accounts Receivable	36,929	-	36,929
Interest Receivable	12,624	-	12,624
Interfund Items	1,391	(1,391)	-
Prepaid Items	9,586	-	9,586
Inventories	-	1,391	1,391
Bond Issue Costs	349,903	-	349,903
Deposits	1,000	-	1,000
Capital Assets, Not Depreciated	144,120	-	144,120
Capital Assets, Depreciated Net of Accumulated Depreciation	7,730,276	-	7,730,276
TOTAL ASSETS	12,007,683	-	12,007,683
LIABILITIES			
Accounts Payable	47,886	-	47,886
Accrued Expenses	65,970	-	65,970
Accrued Salaries and Benefits	230,798	-	230,798
Claims Payable	90,283	-	90,283
Accrued Interest	183,230	-	183,230
Noncurrent Liabilities			
Due Within One Year	350,000	-	350,000
Due in More Than One Year	10,758,666	-	10,758,666
TOTAL LIABILITIES	11,726,833	-	11,726,833
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	(1,425,380)	-	(1,425,380)
Restricted for Emergencies	149,000	-	149,000
Unrestricted	1,557,230	-	1,557,230
TOTAL NET ASSETS	\$ 280,850	\$ -	\$ 280,850

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

BROMLEY EAST CHARTER SCHOOL

STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction	\$ 3,414,354	\$ -	\$ 312,235	\$ -
Supporting Services	1,759,586	25,170	-	73,017
Interest and Fiscal Charges	630,432	-	-	-
Total Governmental Activities	<u>\$ 5,804,372</u>	<u>\$ 25,170</u>	<u>\$ 312,235</u>	<u>\$ 73,017</u>
Business-type Activities				
Food Service	\$ 292,122	\$ 161,259	\$ 108,811	\$ -
Total Primary Government	<u>\$ 6,096,494</u>	<u>\$ 186,429</u>	<u>\$ 421,046</u>	<u>\$ 73,017</u>

GENERAL REVENUES

Per Pupil Revenue
Mill Levy Override
Investment Earnings
Other Revenues
Transfers

TOTAL GENERAL REVENUES

CHANGE IN NET ASSETS

NET ASSETS, Beginning

NET ASSETS, Ending

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

NET (EXPENSE) REVENUE
AND CHANGE IN
NET ASSETS

Governmental Activities	Business-type Activities	Totals
\$ (3,102,119)	\$ -	\$ (3,102,119)
(1,661,399)	-	(1,661,399)
(630,432)	-	(630,432)
(5,393,950)	-	(5,393,950)
\$ -	\$ (22,052)	\$ (2,862,525)
(5,393,950)	(22,052)	(5,416,002)
5,309,640	-	5,309,640
40,500	-	40,500
7,519	-	7,519
16,893	-	16,893
(21,581)	21,581	-
5,352,971	21,581	5,374,552
(40,979)	(471)	(41,450)
321,829	471	322,300
\$ 280,850	\$ -	\$ 280,850

BROMLEY EAST CHARTER SCHOOL

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	GENERAL	GRANT FUND	TOTALS
ASSETS			
Cash and Investments	\$ 1,912,964	\$ -	\$ 1,912,964
Accounts Receivable	36,929	-	36,929
Due from Other Funds	1,391	-	1,391
Prepaid Expenditures	9,586	-	9,586
Deposits	1,000	-	1,000
TOTAL ASSETS	<u>\$ 1,961,870</u>	<u>\$ -</u>	<u>\$ 1,961,870</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 47,886	\$ -	\$ 47,886
Accrued Expenses	65,970	-	65,970
Accrued Salaries and Benefits	230,798	-	230,798
Claims Payable	90,283	-	90,283
TOTAL LIABILITIES	<u>434,937</u>	<u>-</u>	<u>434,937</u>
FUND BALANCES			
Nonspendable	10,586	-	10,586
Restricted for Emergencies	149,000	-	149,000
Restricted for SPED Legal	94,000	-	94,000
Restricted for Repair and Replacement	250,000	-	250,000
Unassigned	1,023,347	-	1,023,347
TOTAL FUND BALANCES	<u>1,526,933</u>	<u>-</u>	<u>1,526,933</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,961,870</u>	<u>\$ -</u>	

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

Capital assets are used in governmental activities are not financial resources and, therefore, are not reported in the funds.	73,761
Internal Service funds are used by management to charge the lease costs to governmental funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.	<u>(1,319,844)</u>
Net assets of governmental activities	<u>\$ 280,850</u>

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

BROMLEY EAST CHARTER SCHOOL

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	<u>GENERAL</u>	<u>GRANT FUND</u>	<u>TOTALS</u>
REVENUES			
Local Sources	\$ 5,395,784	\$ 10,006	\$ 5,405,790
State Sources	289,173	12,149	301,322
Federal Sources	74,736	13,243	87,979
	<u>5,759,693</u>	<u>35,398</u>	<u>5,795,091</u>
EXPENDITURES			
Current			
Instruction	3,384,680	35,398	3,420,078
Supporting Services	1,428,444	-	1,428,444
Building Lease	991,660	-	991,660
	<u>5,804,784</u>	<u>35,398</u>	<u>5,840,182</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(45,091)</u>	<u>-</u>	<u>(45,091)</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(21,581)</u>	<u>-</u>	<u>(21,581)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(21,581)</u>	<u>-</u>	<u>(21,581)</u>
NET CHANGE IN FUND BALANCES	(66,672)	-	(66,672)
FUND BALANCES, Beginning	<u>1,593,605</u>	<u>-</u>	<u>1,593,605</u>
FUND BALANCES, Ending	<u>\$ 1,526,933</u>	<u>\$ -</u>	<u>\$ 1,526,933</u>

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

BROMLEY EAST CHARTER SCHOOL

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

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

Net change in fund balances - total governmental funds	\$ (66,672)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation (\$26,417), exceeded capital outlay \$5,724, in the current period.	(20,693)
The Internal Service fund is used by management to charge the cost of lease payments to the governmental funds. The net revenue of the internal service fund is reported with the governmental activities.	<u>46,386</u>
Change in net assets of governmental activities	<u>\$ (40,979)</u>

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

BROMLEY EAST CHARTER SCHOOL

STATEMENT OF NET ASSETS
 PROPRIETARY FUND TYPES

June 30, 2011

	Business-type Activities	Governmental Activities <u>Internal Service Fund</u>
ASSETS		
Current Assets		
Restricted Investments	\$ -	\$ 1,808,890
Inventory	1,391	-
Interest Receivable	-	12,624
	<u>1,391</u>	<u>1,821,514</u>
Total Current Assets		
Long-term Assets		
Bond Issue Costs, net of Accumulated Amortization	-	349,903
Capital Assets, Net of Accumulated Depreciation	-	7,800,635
	<u>-</u>	<u>8,150,538</u>
Total Long-term Assets		
	<u>1,391</u>	<u>9,972,052</u>
TOTAL ASSETS		
LIABILITIES		
Current Liabilities		
Due to Other Funds	1,391	-
Interest Payable	-	183,230
Loan Payable - Current Portion	-	350,000
	<u>1,391</u>	<u>533,230</u>
Total Current Liabilities		
Long-Term Liabilities		
Loan Payable	-	10,758,666
	<u>-</u>	<u>11,291,896</u>
TOTAL LIABILITIES		
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	-	(1,499,141)
Unrestricted	-	179,297
	<u>-</u>	<u>179,297</u>
TOTAL NET ASSETS		
	<u>\$ -</u>	<u>\$ (1,319,844)</u>

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

BROMLEY EAST CHARTER SCHOOL

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND TYPES
Year Ended June 30, 2011

	Business-type Activities	Governmental Activities Internal Service Fund
OPERATING REVENUES		
Lunch Charges	\$ 160,998	\$ -
Rent	-	991,660
Investment Income	-	(10,117)
Other	261	-
TOTAL OPERATING REVENUES	<u>161,259</u>	<u>981,543</u>
OPERATING EXPENSES		
Salaries	84,036	-
Employee Benefits	12,550	-
Purchased Services	-	13,336
Supplies	195,420	-
Property	116	-
Depreciation	-	187,506
Amortization	-	96,886
TOTAL OPERATING EXPENSES	<u>292,122</u>	<u>297,728</u>
OPERATING INCOME (LOSS)	<u>(130,863)</u>	<u>683,815</u>
NON-OPERATING EXPENSES		
Federal Grants	108,811	-
Interest Expense	-	(630,432)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>108,811</u>	<u>(630,432)</u>
INCOME (LOSS) BEFORE TRANSFERS	(22,052)	53,383
Transfers In	21,581	-
Transfers Out	-	(6,997)
NET INCOME	(471)	46,386
NET ASSETS, Beginning	<u>471</u>	<u>(1,366,230)</u>
NET ASSETS, Ending	<u>\$ -</u>	<u>\$ (1,319,844)</u>

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

BROMLEY EAST CHARTER SCHOOL

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES
 Year Ended June 30, 2011
 Increase (Decrease) in Cash

	Business-type Activities	Governmental Activities <u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Operations	\$ 161,259	\$ 991,660
Cash Paid to Suppliers	(196,456)	(13,336)
Cash paid to Employees	(96,586)	-
Investment Income	-	(300)
Net Cash Provided (Used) by Operating Activities	<u>(131,783)</u>	<u>978,024</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	-	(4,489)
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Federal Grants	108,811	-
Transfer from the General Fund	22,972	-
Transfer to the General Fund	-	(6,997)
Interest Expense	-	(633,533)
Principle Payments on Loan	-	(339,999)
Net Cash Used by Financing Activities	<u>131,783</u>	<u>(980,529)</u>
NET DECREASE IN CASH	-	(6,994)
CASH, Beginning	-	6,994
CASH, Ending	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Income (Loss)	<u>\$ (130,863)</u>	<u>\$ 683,815</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation Expense	-	187,506
Amortization Expense	-	96,886
Changes in Assets and Liabilities		
Inventory	(231)	-
Accrued Interest Receivable	-	9,817
Accounts Payable	(689)	-
Total Adjustments	<u>(920)</u>	<u>294,209</u>
Net Cash Provided by Operating Activities	<u>\$ (131,783)</u>	<u>\$ 978,024</u>

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

BROMLEY EAST CHARTER SCHOOL

STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
June 30, 2011

	<u>AGENCY FUND</u>
ASSETS	
Cash and Investments	<u>\$ 18,485</u>
LIABILITIES	
Due to Student Groups	<u><u>\$ 18,485</u></u>

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

BROMLEY EAST CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Bromley East Charter School (the “School”) was formed pursuant to the Colorado Charter Schools Act to form and operate a charter school within the Brighton School District 27J.

The accounting policies of the School conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies.

Reporting Entity

The financial reporting entity consists of the School and organizations for which the School is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the School. In addition, any legally separate organizations for which the School is financially accountable are considered part of the reporting entity. Financial accountability exists if the School appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the School.

Based upon the application of these criteria, the following organization is included in the School’s reporting entity.

Community Education Center, Inc.

The Community Education Center, Inc. (“CEC”) is considered to be financially accountable to the School. The purpose of the CEC is to provide a mechanism to issue and pay debt on behalf of the School. The CEC is considered to be part of the School for financial reporting purposes because its resources are entirely for the direct benefit of the School and is blended into the School’s financial statements as an internal service fund. Separate financial statements are not available.

The School is a component unit of the Brighton School District 27J (the “District”).

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the School. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported in a single column.

BROMLEY EAST CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to students or others who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Unrestricted intergovernmental revenues not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period, not to exceed 60 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Intergovernmental revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

BROMLEY EAST CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first and the unrestricted resources as they are needed.

The School reports the following major governmental funds:

General Fund – This fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.

Grants Fund – This fund accounts for Federal, State and local grants received by the School.

The School reports the following major proprietary funds:

The *Enterprise Fund* is used to account for the activities of the Food Service Fund.

Additionally, the School reports the following fund types:

The *Internal Service Fund* is used to account for activity of CEC.

The *Agency Fund* is used to account for resources used to support the school's student and fundraising activities. The School holds all resources in a purely custodial capacity.

Assets, Liabilities and Fund Balance/Net Assets

Investments – Investments are recorded at fair value.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

BROMLEY EAST CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Assets (Continued)

Capital Assets – Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net assets in the government-wide financial statements. Depreciation has been provided over the following estimated useful lives of the capital assets using the straight-line method: buildings, 50 years; leasehold improvements, 15 years, and vehicles and equipment, 5-7 years.

Long-term Debt – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Deferred Revenues – Deferred revenues include grant funds that have been collected but the corresponding expenditures have not been incurred.

Net Assets/Fund Equity – In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

BROMLEY EAST CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Balance/Net Assets (Continued)

- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. Other funds classified as restricted are the Special Education Legal Reserves which are required by the contract between the School and the District and the Repair and Replacement Reserves which is required by the bond agreements.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School did not have any committed resources as of June 30, 2011.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The School would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned

Compensated Absences

The School's policy allows employees to accumulate paid time off. Any unused days are paid out to the employees at the end of each year. Therefore, no liability for paid time off is reported in the financial statements.

Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School carries commercial insurance for these risks of loss.

BROMLEY EAST CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk Management (Continued)

The School, in conjunction with Eagle Ridge High School and Belle Creek Charter School, has established a self-insurance pool for employee health benefits. The School's premiums are determined at the beginning of each fiscal year and are deposited into a claims account throughout the year. The claims account is reported as cash with an offsetting liability in the General Fund. The Pool's fiscal year ends each September 30, and includes individual stop loss insurance of \$50,000 and aggregate stop loss insurance of \$1,180,932.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

A budget is adopted for all governmental funds on a basis consistent with generally accepted accounting principles. A budget was not adopted for the Center.

School management submits to the Board of Directors a proposed budget for the fiscal year commencing the following July1. The budget is adopted by the Board of Directors prior to June 30. Expenditures may not legally exceed appropriations at the fund level. Revisions must be approved by the Board of Directors. The budget includes proposed expenditures and the means of financing them. All appropriations lapse at fiscal year end.

NOTE 3: CASH AND INVESTMENTS

Cash and Investments at June 30, 2011 consisted of the following:

Cash on Hand	\$	500
Deposits		260,009
Investments		<u>3,479,830</u>
Total	\$	<u>3,740,339</u>

BROMLEY EAST CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2011, State regulatory commissioners have indicated that all financial institutions holding deposits for the School are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The School has no policy regarding custodial credit risk for deposits.

At June 30, 2011, the School had deposits with financial institutions with a carrying amount of \$260,009. The bank balances with the financial institutions were \$282,436. Of these balances, \$282,436 was covered by federal depository insurance.

Investments

Interest Rate Risk

The School has a formal investment policy that manages interest rate risk. The board must approve all investments whose maturities exceed five years.

Credit Risk

Colorado statutes specify in which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. Government Agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

BROMLEY EAST CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

NOTE 3: CASH AND INVESTMENTS (Continued)

As of June 30, 2011, the District has the following investments:

	<u>Fair Value</u>	<u>Investment Maturity (Years)</u>	
		<u>Less than One Year</u>	<u>More Than 5 Years</u>
Money Market Mutual Fund	\$ 398,854	\$ 398,854	\$ -
Governmental Agency Securities	1,918,508	-	1,918,508
Colostrust and CSAFE	<u>1,162,468</u>	<u>1,162,468</u>	<u>-</u>
Total	<u>\$ 3,479,830</u>	<u>\$ 1,561,322</u>	<u>\$ 1,918,508</u>

The School had invested \$1,162,468 in the Colorado Government Liquid Asset Trust and the Colorado Surplus Asset Fund Trust (COLOTRUST and CSAFE), investment vehicles established for local government entities in Colorado to pool surplus funds and are registered with the State Securities Commissioner. They operate similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities.

A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. Colostrust is rated AAA and CSAFE is rated AAAM by Standard and Poor's.

Restricted Cash and Investments

Cash in the amount of \$1,808,890 is restricted for debt service.

BROMLEY EAST CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 4: CAPITAL ASSETS

Capital Assets activity for the year ended June 30, 2011 is summarized below.

	Balance <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2011</u>
Governmental Activities				
Capital assets, Not Depreciated				
Land	\$ 144,120	\$ -	\$ -	\$ 144,120
Capital Assets, Being Depreciated				
Buildings	9,375,323	-	-	9,375,323
Building Improvements	100,785	-	-	100,785
Vehicles and Equipment	<u>145,633</u>	<u>5,724</u>	<u>-</u>	<u>151,357</u>
Total Capital Assets, Being Depreciated	<u>9,621,741</u>	<u>-</u>	<u>-</u>	<u>9,627,465</u>
Accumulated Depreciation				
Buildings	1,531,302	187,506	-	1,718,808
Building Improvements	24,979	6,719	-	31,698
Furniture and Equipment	<u>126,985</u>	<u>19,698</u>	<u>-</u>	<u>146,683</u>
Total Accumulated Depreciation	<u>1,683,266</u>	<u>213,923</u>	<u>-</u>	<u>1,897,189</u>
Total Capital Assets, Being Depreciated, Net	<u>7,938,475</u>	<u>(208,199)</u>	<u>-</u>	<u>7,730,276</u>
Net Capital Assets	<u>\$ 8,082,595</u>	<u>\$ (208,199)</u>	<u>\$ -</u>	<u>\$ 7,874,396</u>

Depreciation has been charged to the supporting services program of the School.

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from August to July, but are earned during a school year of nine months. The salaries and benefits earned, but unpaid, as of June 30, 2011, were \$230,798 in the General Fund.

BROMLEY EAST CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 6: LONG-TERM DEBT

Following is a summary of the School's long-term debt transactions for the year ended June 30, 2011:

	Balance			Balance	Due In
	<u>June 30, 2010</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2011</u>	<u>One Year</u>
Building Loan	\$ 13,115,000	\$ -	\$ 340,000	\$ 12,775,000	\$ 350,000
Premium	647,373	-	29,591	617,782	-
Loss on Refunding	<u>(2,393,849)</u>	<u>-</u>	<u>(109,732)</u>	<u>(2,284,117)</u>	<u>-</u>
Total	<u>\$ 11,368,524</u>	<u>\$ -</u>	<u>\$ 259,859</u>	<u>\$11,108,665</u>	<u>\$ 340,000</u>

Building Loan

In June, 2005, the Colorado Educational and Cultural Facilities Authority (CECFA) issued \$14,370,000 Charter School Revenue Bonds (Bromley East Charter School Project), Series 2005. Proceeds of the bonds were used to refund the CECFA Charter School Revenue Bonds, Series 2000. Proceeds from the bonds were loaned to CEC under a lease agreement to purchase the School's building by refunding existing debt, and to make improvements to the building. The School is obligated to make monthly lease payments to CEC for use of the building. CEC is required to make equal lease payments to the Trustee, for payment of the bonds. Interest accrued at rates ranging from 3% to 5.25%. The lease matures in September 2032.

Defeased Bonds

Defeased Bonds in the amount of \$11,785,000 were outstanding as of June 30, 2011.

Future debt service requirements are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 350,000	\$ 622,531	\$ 972,531
2013	360,000	611,219	971,219
2014	375,000	599,500	974,500
2015	385,000	586,669	971,669
2016	400,000	572,932	972,932
2017 – 2021	2,305,000	2,556,624	4,861,624
2022 – 2026	2,960,000	1,885,378	4,845,378
2027 – 2031	3,815,000	1,000,258	4,815,258
2032 – 2033	<u>1,825,000</u>	<u>96,994</u>	<u>1,921,994</u>
Total	<u>\$ 12,775,000</u>	<u>\$ 8,532,105</u>	<u>\$ 21,307,105</u>

BROMLEY EAST CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

NOTE 7: INTERFUND BALANCES AND TRANSFERS

The School made the following transfers during the year.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Food Service Fund	General Fund	<u>\$ 21,581</u>

The General Fund transferred funds to the Food Service fund for operating related expenditures.

NOTE 8: DEFINED BENEFIT PENSION PLAN

Plan Description. The School contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the School are members of the SDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SDTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy. The School is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0 % and for the School it is 10.15 % of covered salary. A portion of the School's contribution (1.02 % of covered salary) is allocated to the Health Care Trust Fund (See Note 9). If the School rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions on the amounts paid for the retiree, and the member must contribute 8% of covered payroll. The School is also required to pay an amortization equalization disbursement equal to 4.6 % of the total payroll for the calendar year 2011, (3.7 % of total payroll for the calendar year 2010). For the years ending June 30, 2009, 2010, and 2011, the School's employer contributions for the SDTF were \$353,241, \$382,772, and \$409,980, respectively, equal to their required contributions for each year.

BROMLEY EAST CHARTER SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 9: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description. The School contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post employment healthcare plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy. The School is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the School are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. For the years ending June 30, 2009, 2010, and 2011, the School's employer contributions to the HCTF were \$28,732, \$29,038, and \$29,261 respectively, equal to their required contributions for each year.

NOTE 10: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The School participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of June 30, 2011, significant amounts of grant expenditures have not been audited, but the School believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the School.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution, which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded. The School believes it has complied with the Amendment. As required by the Amendment, the School has established a reserve for emergencies. At June 30, 2011, the reserve of \$149,000 was recorded as a reservation of fund balance in the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

BROMLEY EAST CHARTER SCHOOL

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Per Pupil Revenue	\$ 4,778,847	\$ 5,329,941	\$ 5,309,640	\$ (20,301)
Mill Levy Override	45,000	45,000	40,500	(4,500)
Tuition and Fees	-	14,500	11,115	(3,385)
Interest	47,500	47,531	17,636	(29,895)
Other	69,700	75,450	16,893	(58,557)
State and Federal Sources				
Grants and Donations	208,880	337,578	363,909	26,331
TOTAL REVENUES	<u>5,149,927</u>	<u>5,850,000</u>	<u>5,759,693</u>	<u>(90,307)</u>
EXPENDITURES				
Instruction				
Salaries	2,397,099	2,429,253	2,398,257	30,996
Employee Benefits	712,556	742,586	731,362	11,224
Purchased Services	13,312	16,311	15,601	710
Supplies and Materials	82,906	124,784	112,571	12,213
Property	-	121,297	122,953	(1,656)
Other	7,484	4,484	3,936	548
Total Instruction	<u>3,213,357</u>	<u>3,438,715</u>	<u>3,384,680</u>	<u>54,035</u>
Supporting Services				
School Administration				
Salaries	475,896	488,023	498,780	(10,757)
Employee Benefits	125,760	127,704	153,164	(25,460)
Purchased Services	646,533	1,647,921	1,664,472	(16,551)
Supplies and Materials	36,200	58,624	73,131	(14,507)
Property	-	8,000	-	8,000
Other	19,484	81,013	30,557	50,456
Debt Service				
Interest	290,026	-	-	-
Total Supporting Services	<u>1,593,899</u>	<u>2,411,285</u>	<u>2,420,104</u>	<u>(8,819)</u>
TOTAL EXPENDITURES	<u>4,807,256</u>	<u>5,850,000</u>	<u>5,804,784</u>	<u>45,216</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>342,671</u>	<u>-</u>	<u>(45,091)</u>	<u>(45,091)</u>
OTHER FINANCING USES				
Transfers Out	<u>(640,401)</u>	<u>-</u>	<u>(21,581)</u>	<u>(21,581)</u>
NET CHANGE IN FUND BALANCE	(297,730)	-	(66,672)	(66,672)
FUND BALANCE, Beginning	<u>1,500,065</u>	<u>1,593,605</u>	<u>1,593,605</u>	<u>-</u>
FUND BALANCE, Ending	<u>\$ 1,202,335</u>	<u>\$ 1,593,605</u>	<u>\$ 1,526,933</u>	<u>\$ (66,672)</u>

See the accompanying independent auditors' report.

BROMLEY EAST CHARTER SCHOOL

GRANTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Grants	\$ 21,880	\$ 22,800	\$ 10,006	\$ (12,794)
State Source				
Grants	3,812	13,240	12,149	(1,091)
Federal Sources				
Grants	14,023	13,960	13,243	(717)
TOTAL REVENUES	39,715	50,000	35,398	(14,602)
EXPENDITURES				
Instruction				
Salaries	11,870	17,563	12,144	5,419
Purchased Services	11,053	10,017	7,672	2,345
Supplies	7,512	13,140	5,695	7,445
Property	9,280	9,280	9,887	(607)
TOTAL EXPENDITURES	39,715	50,000	35,398	14,602
CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

INDIVIDUAL FUND FINANCIAL STATEMENTS

BROMLEY EAST CHARTER SCHOOL

FOOD SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Lunch Charges	\$ 195,332	\$ 178,000	\$ 160,998	\$ (17,002)
Other	-	-	261	261
Federal Sources				
Grants	70,000	112,000	108,811	(3,189)
TOTAL REVENUES	265,332	290,000	270,070	(19,930)
EXPENDITURES				
Supporting Services				
Salaries	70,516	85,000	84,036	964
Employee Benefits	11,107	13,388	12,550	838
Supplies	191,284	204,898	195,420	9,478
Property	850	850	116	734
Other	767	10,864	-	10,864
TOTAL EXPENDITURES	274,524	315,000	292,122	22,878
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,192)	(25,000)	(22,052)	2,948
OTHER FINANCING SOURCES (USES)				
Transfers In	9,192	25,000	21,581	(3,419)
CHANGE IN FUND BALANCES	-	-	(471)	(471)
FUND BALANCE, Beginning	-	-	471	471
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

BROMLEY EAST CHARTER SCHOOL

AGENCY FUND - STUDENT ACTIVITY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 2011

	BALANCE JULY 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2011
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 35,411	\$ 241,525	\$ 258,451	\$ 18,485
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Accounts Payable - Due to Student Groups	\$ 35,411	\$ 241,525	\$ 258,451	\$ 18,485
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See the accompanying independent auditors' report.

BROMLEY EAST CHARTER SCHOOL

STUDENT ACTIVITY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Student Groups	\$ 64,000	\$ 192,000	\$ 166,042	\$ (25,958)
TOTAL REVENUES	<u>64,000</u>	<u>192,000</u>	<u>166,042</u>	<u>(25,958)</u>
EXPENDITURES				
Student Groups	<u>64,000</u>	<u>192,000</u>	<u>182,968</u>	<u>9,032</u>
TOTAL EXPENDITURES	<u>64,000</u>	<u>192,000</u>	<u>182,968</u>	<u>9,032</u>
CHANGE IN NET ASSETS	-	-	(16,926)	(16,926)
NET ASSETS, Beginning	<u>-</u>	<u>-</u>	<u>35,411</u>	<u>35,411</u>
NET ASSETS, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,485</u>	<u>\$ 18,485</u>

See the accompanying independent auditors' report.