

Boys Latin of Philadelphia CS

Charter Annual Report

07/01/2013 - 06/30/2014

School Profile

Demographics

5501 Cedar Avenue
Philadelphia, PA 19143
(215)387-5149

Phase:

Phase 2

CEO Name:

David Hardy

CEO E-mail address:

dhardy@boyslatin.org

Governance and Staff

Leadership Changes

Leadership changes during the past year on the Board of Trustees and in the school administration:

We welcomed 3 new members to our Board of Trustees during the 2013-2014 school year. There were no changes in leadership in the school administration.

Board of Trustees Meeting Schedule

Location	Date and Time
Boys' Latin of Philadelphia Charter School - 5501 Cedar Avenue, Philadelphia, PA 19143	10/10/2013 4:00 PM
Boys' Latin of Philadelphia Charter School - 5501 Cedar Avenue, Philadelphia, PA 19143	12/11/2013 4:00 PM
Boys' Latin of Philadelphia Charter School - 5501 Cedar Avenue, Philadelphia, PA 19143	2/19/2014 4:00 PM
Boys' Latin of Philadelphia Charter School - 5501 Cedar Avenue, Philadelphia, PA 19143	4/23/2014 4:00 PM
Boys' Latin of Philadelphia Charter School - 5501 Cedar Avenue, Philadelphia, PA 19143	6/4/2014 4:00 PM

Professional Staff Member Roster

Carly Ackerman	
PA Certified	Yes
Areas of Certification	Instructional I English 7-12, Special Education N-12, Admin. I Principal K-12 (awaiting evaluation)
Grades Teaching or Serving	6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Dean of Students at Boys' Latin Middle School
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Intiaz Alam	
PA Certified	Yes
Areas of Certification	Instructional I English 7-12

Grades Teaching or Serving	6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	English
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Mikal Anderson	
PA Certified	Yes
Areas of Certification	Intern Social Studies 7-12
Grades Teaching or Serving	6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Social Studies
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Na'imah Bazemore	
PA Certified	Yes
Areas of Certification	Instructional I Elementary K-6, Special Ed. N-12, English 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Instructional Support
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Carolynn Bilbee	
PA Certified	Yes
Areas of Certification	Instructional II English 7-12, Social Studies 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	English
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Daniel Bluth	
PA Certified	Yes
Areas of Certification	Instructional I Latin
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Latin
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Qwaye Bright	
PA Certified	No
Areas of Certification	Not certified
Grades Teaching or Serving	6, 9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Director of Special Education
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

David Bungard	
PA Certified	Yes
Areas of Certification	Intern Physics 7-12, Chemistry 7-12, Biology 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Science
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Dennis Carlisle	
PA Certified	Yes
Areas of Certification	Instructional II Art K-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Art
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Hannah Casey	
PA Certified	Yes
Areas of Certification	Instructional I Latin K-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Latin
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Anthony Depasquale	
PA Certified	Yes
Areas of Certification	Instructional I Mathematics 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Mathematics
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Sean Diviny	
PA Certified	No
Areas of Certification	Not yet certified
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	History
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Alison Doherty	
PA Certified	Yes
Areas of Certification	Instructional I Elementary K-6, Mid-Level English 7-9
Grades Teaching or Serving	6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Health and Wellness
Number of Hours Annually Worked in Assignment	1427

Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Sara Flounders	
PA Certified	Yes
Areas of Certification	Instructional II Latin K-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Latin
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Terese Gallen	
PA Certified	Yes
Areas of Certification	Instructional I English 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	English
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Brian Goddu	
PA Certified	Yes
Areas of Certification	Instructional I Mathematics 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Mathematics
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Matthew Hagerman	
PA Certified	Yes
Areas of Certification	Intern English 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	English

Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Brian Harrison	
PA Certified	No
Areas of Certification	Certification pending
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Science
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Desmond Hasty	
PA Certified	No
Areas of Certification	Not certified
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Technology
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Jaskiran Kaur	
PA Certified	Yes
Areas of Certification	Instructional I Biology 7-12, Physics 7-12, Chemistry 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Science
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Samantha Levine	
PA Certified	Yes
Areas of Certification	Instructional I Elementary K-6, Special Ed. PK-8

Grades Teaching or Serving	6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Instructional Support
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Hillary Maloney	
PA Certified	Yes
Areas of Certification	Instructional I Math 7-12, Special Ed. N-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Mathematics
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Kelly Maluccio	
PA Certified	Yes
Areas of Certification	Instructional I Math 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Math
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Richard McDaniel	
PA Certified	Yes
Areas of Certification	Instructional I Math 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Math
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Laura McShane	
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PA Certified	Yes
Areas of Certification	Instructional I English 7-12, Social Studies 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	English
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Korie Muscolino	
PA Certified	Yes
Areas of Certification	Instructional II Mid-Level Math 7-9, Elementary K-6
Grades Teaching or Serving	9
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Math
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Nicholas Pascale	
PA Certified	Yes
Areas of Certification	Instructional II Admin. I Principal, Social Studies 7-12, Special Ed. N-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Assistant Principal
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Charles Reynolds	
PA Certified	Yes
Areas of Certification	Instructional I English 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	English
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0

Percentage of Time in Areas Not Certified	0.0
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Randy Ribay	
PA Certified	Yes
Areas of Certification	Instructional I English 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	English
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Caitlin Rohn	
PA Certified	Yes
Areas of Certification	Instructional I Social Studies 7-12, English 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	History
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Michael Rufo	
PA Certified	No
Areas of Certification	Pending certification
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Math
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Kathryn Searles	
PA Certified	Yes
Areas of Certification	Instructional I Art K-12
Grades Teaching or Serving	6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Art

Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Scott Sheldon	
PA Certified	Yes
Areas of Certification	Instructional I English 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	English
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

John Smith	
PA Certified	Yes
Areas of Certification	Instructional II Biology 7-12, Chemistry 7-12, General Science 7-12, Social Studies 7-12, Technology Ed. K-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Science
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Adam Stoltz	
PA Certified	Yes
Areas of Certification	Instructional I Music 7-12
Grades Teaching or Serving	6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Music
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Joseph Strzempka	
PA Certified	No

Areas of Certification	Pending certification
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Latin
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Alexandra Surdel	
PA Certified	Yes
Areas of Certification	Intern Math 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Math
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Noah Tennant	
PA Certified	Yes
Areas of Certification	Administrative I Principal K-12
Grades Teaching or Serving	6, 9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Principal
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Katherine Tunstall	
PA Certified	Yes
Areas of Certification	Instructional I Math 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Math
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Michael Whalen	
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PA Certified	Yes
Areas of Certification	Intern Social Studies 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	Social Studies
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Charles Williams	
PA Certified	Yes
Areas of Certification	Instructional I Social Studies 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	History
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Phoebe Willis	
PA Certified	No
Areas of Certification	Not certified
Grades Teaching or Serving	6
All Areas of Assignment, Subject Areas Teaching, or Services Provided	STEM
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Joel Witter	
PA Certified	Yes
Areas of Certification	Instructional I English 7-12
Grades Teaching or Serving	9-12
All Areas of Assignment, Subject Areas Teaching, or Services Provided	English
Number of Hours Annually Worked in Assignment	1427
Percentage of Time in Certified Position	100.0
Percentage of Time in Areas Not Certified	0.0

Special Education Teacher (including Master Teachers)	2.00	2.00	0.00	0.00	0.00	1.00
Special Education Coordinator	1.00	0.00	0.00	0.00	0.00	0.00
Counselor	0.00	0.00	0.00	0.00	0.00	0.00
Psychologist	0.00	0.00	0.00	0.00	0.00	0.00
School Nurse	0.00	0.00	0.00	0.00	0.00	0.00
Totals	45.00	38.00	0.00	0.00	0.00	36.00

Further explanation:

This narrative is empty.

Fiscal Matters

Major Fundraising Activities

Major fundraising activities performed this year and planned for next year:

During the 2013/2014 school year, the school received a grant commitment from the Philadelphia School Partnership. Recognized revenue from this grant was \$385,000. In addition, the school held a fund-raising event, old-bags, that raised approximately \$150,000.

Fiscal Solvency Policies

Changes to policies and procedures to ensure and monitor fiscal solvency:

During the 2013/2014 school year, the school board approved a PSERS alternative plan to be effective for the 2014-2015 school year. This plan was adopted to mitigate the effect of the state's removal of the PSERS reimbursement program for charter schools.

Fiscal Solvency Policies

Charter School documents that describe policies and procedures that have been established to ensure and monitor fiscal solvency (optional if described in the narrative)

No files have been uploaded.

Accounting System

Changes to the accounting system the charter school uses:

The school made no changes to its accounting system.

Preliminary Statements of Revenues, Expenditures & Fund Balances

The completed and CEO signed Fiscal Template – Preliminary Statements of Revenues, Expenditures & Fund Balances

PDF file uploaded.

Financial Audits

Basics

Audit Firm:	Citrin Cooperman
Date of Last Audit:	11/25/2013
Fiscal Year Last Audited:	2013

Explanation of the Report

Detailed explanation of the report (if the previous year's report has been submitted.) Any audit report for a school year that precedes this annual report by more than 2 years is not acceptable and may be considered a material violation:

This narrative is empty.

Financial Audit Report

The Financial Audit Report, which should include the auditor's opinion and any findings resulting from the audit

PDF file uploaded.

Citations

Financial audit citations and the corresponding Charter School responses

Description	Response
No findings.	No findings.

Federal Programs Consolidated Review

Basics

Title I Status: Yes
 Date of Last Federal Programs Consolidated Review: 06/16/2014
 School Year Reviewed: 2013-2014

Federal Programs Consolidated Review Report

The Federal Programs Consolidated Review Report, which should include the Division's opinion and any findings resulting from the audit

No file has been uploaded.

Citations

Federal Programs Consolidated Review citations and the corresponding Charter School responses

Description	Response
Waiting for the draft report from the monitor.	Waiting for the draft report from the monitor.

Special Education

Chapter 711 Assurances

The LEA agrees to comply with all requirements of Special Education outlined in 22 PA Code Chapter 711 and other state and federal mandates. These include:

Implementation of a full range of services, programs and alternative placements available to the Charter School for placement and implementation of the special education programs in the Charter School.

Implementation of a child find system to locate, identify and evaluate young children and children who are thought to be a child with a disability eligible for special education residing within the Charter School's jurisdiction. Child find data is collected, maintained and used in decision-making. Child find process and procedures are evaluated for their effectiveness. The Charter School implements mechanisms to disseminate child find information to the public, organizations, agencies and individuals on at least an annual basis.

Assurances of students with disabilities are included in general education programs and extracurricular and non-academic programs and activities to the maximum extent appropriate in accordance with an Individualized Education Program.

Following the state and federal guidelines for participation of students with disabilities in state and Charter School-wide assessments including the determination of participation, the need for accommodations and the methods of assessing students for whom regular assessment is not appropriate.

Assurance of funds received through participation in the medical assistance reimbursement program, ACCESS, will be used to enhance or expand the current level of services and programs provided to students with disabilities in this local education agency.

Special Education Support Services

Support Service	Location	Teacher FTE
Learning Support Teacher	Boys' Latin of Philadelphia - High School	1
Learning Support Teacher	Boys' Latin of Philadelphia - High School	1
Learning Support Teacher	Boys' Latin of Philadelphia - Middle School	1
Learning Support Teacher	Boys' Latin of Philadelphia - High School	1
Special Education Director	Boys' Latin of Philadelphia - High School	1

Special Education Contracted Services

Title	Amt. of Time per Week	Operator	Number of Students
School Counselor	10 Hours	Outside Contractor	16
Speech and Language	2 Hours	Outside	10 or fewer

Pathology		Contractor	
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Special Education Cyclical Monitoring

Date of Last Special Education Cyclical Monitoring:

05/21/2009

Link to Report (Optional):

Not Provided

Special Education Cyclical Monitoring Report

The Special Education Cyclical Monitoring Report, which should include the Bureau's findings

PDF file uploaded.

Facilities

Fixed assets acquired by the Charter School during the past fiscal year

Fixed assets acquired by the Charter School during the past fiscal year:

During the past fiscal year, we have acquired the following fixed assets:

1. Desktop computers, students laptops, faculty staff laptops, laptop cart, and student tablets.
2. Miscellaneous hardware and technology equipment.
3. ID printer.
4. New student and faculty desks for the middle school.
5. Musical instruments for our band.
6. Rental costs for our middle school building.

The total Charter School expenditures for fixed assets during the identified fiscal year:

\$471,607.00

Facility Plans and Other Capital Needs

The Charter School's plan for future facility development and the rationale for the various components of the plan:

In September 2013, Boys' Latin Middle School opened in a rented building located several blocks from the high school site. In September 2014, the middle school will have approximately 300 students in 6th and 7th grade enrolled. The middle school was opened based on the belief that an earlier indoctrination into the Boys' Latin system of educational structure and core values would significantly increase a student's likelihood of success at the high school and college levels.

In its short history, Boys' Latin has had extraordinary success. By any measure, particularly graduation rate and college enrollment ratio, Boys' Latin has established itself as a leading performer among all high schools in the Philadelphia School District.

Boys' Latin of Philadelphia Charter School is seeking \$4.0 million of RACP funding for construction of a new building to house the Boys' Latin Middle School.

The high school facility is located on a three-acre campus in West Philadelphia in a renovated school building once owned by the Archdiocese of Philadelphia. The middle school project involves construction of a +/- 46,000 square foot 2 to 3 story building to house the new Boys' Latin Middle School and a gymnasium to be shared by the middle and upper schools. The building will be built on the Boys' Latin High School site. The site consists of a full city block bordered by Cedar and Hazel Avenues and 55th and 56th streets in Philadelphia.

Memorandums of Understanding

Organization	Purpose
Buie Tree Services	Landscaping services

Cenova	Snow removal services
Charter Choices, Inc.	Accounting services
Invo Health Care Associates	Special Education services
MACCS	School nurse services
Majek	Annual sprinkler, fire extinguisher, and kitchen hood inspection services
Philadelphia Police Dept 18th District	Per the Safe Schools Act
Primo's Food Service	Food Service
Thyssen Krupp	Elevator maintenance
Waste Management of Philadelphia	Trash removal
Western Pest Services	Extermination services

Charter School Annual Report Affirmations

Charter Annual Report Affirmation

I verify that all information and records in this charter school annual report are complete and accurate.

The Chief Executive Officer and the Board of Trustee President of the charter school must sign this verification.

Affirmed by R. Richard Williams on 8/1/2014

President, Board of Trustees

Affirmed by David Hardy on 7/30/2014

Chief Executive Officer

Charter School Law Affirmation

Pennsylvania's first Charter School Law was Act 22 of 1997, 24 P.S. § 17-1701-A et seq., which primarily became effective June 19, 1997, and has subsequently been amended.

The Charter School Law provides for the powers, requirements, and establishment of charter schools. The Charter School Law was passed to provide opportunities to teachers, parents, pupils and community members to establish and maintain schools that operate independently from the existing school district structure as a method to accomplish all of the following: (1) improve pupil learning; (2) increase learning opportunities for all pupils; (3) encourage the use of different and innovative teaching methods; (4) create new professional opportunities for teachers; (5) provide parents and pupils with expanded choices in types of educational opportunities that are available within the public school system; and (6) hold charter schools accountable for meeting measurable academic standards and provide the school with a method to establish accountability systems.

The charter school assures that it will comply with the requirements of the Charter School Law and any provision of law from which the charter school has not been exempted, including Federal laws and regulations governing children with disabilities. The charter school also assures that it will comply with the policies, regulations and procedures of the Pennsylvania Department of Education (Department). Additional information about charter schools is available on the Pennsylvania Department's website at: <http://www.education.state.pa.us>.

The Chief Executive Officer and Board of Trustees President of the charter school must sign this assurance.

Affirmed by R. Richard Williams on 8/1/2014

President, Board of Trustees

Affirmed by David Hardy on 7/30/2014

Chief Executive Officer

Ethics Act Affirmation

Pennsylvania's current Public Official and Employee Ethics Act (Ethics Act), Act 93 of 1998, Chapter 11, 65 Pa.C.S. § 1101 et seq., became effective December 14, 1998 and has subsequently been amended.

The Ethics Act provides that public office is a public trust and that any effort to realize personal financial gain through public office other than compensation provided by law is a violation of that trust. The Ethics Act was passed to strengthen the faith and confidence of the people of Pennsylvania in their government. The Pennsylvania State Ethics Commission (Commission) administers and enforces the provisions of the Ethics Acts and provides guidance regarding its requirements.

The regulations of the Commission set forth the procedures applicable to all proceedings before the Commission as well as for the administration of the Statement of Financial Interests filing requirements. See 51 Pa. Code § 11.1 et seq.

The charter school assures that it will comply with the requirements of the Ethics Act and with the policies, regulations and procedures of the Commission. Additional information about the Ethics Act is available on the Commission's website at: <http://www.ethics.state.pa.us>.

The Chief Executive Officer and Board of Trustees President of the charter school must sign this assurance.

Affirmed by R. Richard Williams on 8/1/2014

President, Board of Trustees

Affirmed by David Hardy on 7/30/2014

Chief Executive Officer



Executive Summary BSE Compliance Monitoring Review of the Boys Latin of Philadelphia CS

PART I SUMMARY OF FINDINGS

A. Review Process

Prior to the Bureau of Special Education (BSE) monitoring the week of May 21, 2009, the Boys Latin of Philadelphia CS was formally notified of the dates the onsite review would be conducted. Notice and invitation to comment was also provided to the Local Task Force on Right-to-Education. The charter school was informed of its responsibility to compile various reports, written policies, and procedures to document compliance with requirements.

While onsite, the monitoring team employed a variety of techniques to gain an in depth understanding of the charter school's program operations. These techniques included:

- Interviews of charter school administrative and instructional personnel
- Review of policies, notices, plans, outcome and performance data, special education forms and formats, and data reports used and compiled by the charter school (Facilitated Self-Assessment)
- Comprehensive case studies (including classroom observations, interviews of parents, students, and general and special education teachers, and student file reviews).

B. General Findings

In reaching compliance determinations, the BSE monitoring teams apply criteria contained in federal and state special education regulations. Specifically, these are:

- Individuals with Disabilities Education Improvement Act of 2004
- 22 Pa. Code Chapter 711
- 34 CFR Part 300

Commendations

In addition to reporting the status of compliance, the BSE wishes to recognize the Boys Latin of Philadelphia CS for the following:

- The Charter School is commended for developing a "special education friendly" school environment with supports and services, which encourages students to take advantage of all available opportunities to enhance their education.
- The Charter School is commended for its special education resource room, and the structure, flexibility, access and curriculum offered to students which allows for students to maximize learning.
- The Charter School is commended for its year-round Saturday program which allows students to receive additional instruction and support, enabling them to enhance their rate of success in school.

- The Charter School is commended for building a network of strong, supportive working relationships with parents, teachers and students which enhances the educational experience of students.

This report focuses on compliance with requirements and also contains descriptive information (such as interview results) intended to provide feedback to assist in program planning.

C. Overall Findings

1. FACILITATED SELF-ASSESSMENT (FSA)

The chairperson reviewed the FSA submitted by the charter school and conducted onsite verification activities of the information submitted in the FSA. The onsite verification activities included review of policies, notices, procedures, and charter school file reviews.

FSA	In Compliance	Out of Compliance
Assistive Technology and Services; Hearing Aids	2	0
Positive Behavior Support Policy	1	0
Child Find (Annual Public Notice and General Dissemination Materials)	1	0
Confidentiality	1	0
Dispute Resolution (Due process hearing decision implementation)	1	0
Exclusions: Suspensions and Expulsions (Procedural Requirements)	1	0
Independent Education Evaluation	1	0
Least Restrictive Environment (LRE)	1	0
Provision of Extended School Year Services	1	0
Provision of Related Service Including Psychological Counseling	1	0
Parent Training	0	1
Surrogate Parents (Students Requiring)	1	0
Personnel Training	0	1
Intensive Interagency Approach	1	0
Summary of Academic Achievement and Functional Performance/Procedural Safeguard Requirements for Graduation	0	0
Disproportionate Representation that is the Result of Inappropriate Identification	1	0

IMPROVEMENT PLAN REQUIRED	Yes	No
Effective use of Dispute Resolution	0	1
Graduation Rates (SPP)	0	0
Dropout Rates (SPP)	0	0
Suspensions (Rates)	0	1
Least Restrictive Environment (LRE) (SPP)	0	1
Participation in PSSA and PASA (SPP)	0	1
Participation in Charter-Wide Assessment	0	1
Public School Enrollment	0	1
Disproportionate Representation due to Identification, Educational Environment, Suspension or Expulsion	0	1

2. FILE REVIEW (Student case studies)

The education records of randomly selected students participating in special education programs were studied to determine whether the charter school complied with essential requirements.

The status of compliance of the Boys Latin of Philadelphia CS is as follows:

Sections of the FILE REVIEW	In Compliance	Out of Compliance	NA
Essential Student Documents Are Present and Were Prepared Within Timelines	55	25	80
Evaluation/Reevaluation: Process and Content	177	25	578
Individualized Education Program: Process and Content	419	99	252
Procedural Safeguards: Process and Content	68	28	24
TOTALS	719	177	934

3. TEACHER AND PARENT INTERVIEWS

Interviews were conducted with parents and teachers of students selected by the BSE for the sample group. The goal is to determine if the charter school involves parents and professionals in required processes (e.g., evaluation, IEP development), whether programs and services are being provided, and whether the charter school provides training to enhance knowledge. Parent and teacher satisfaction with the special education program is also generally assessed.

	# Yes Responses	# No Responses	# of Other Responses
Program Implementation: General Ed Teacher Interviews	175	28	47
Program Implementation: Special Ed Teacher Interviews	248	0	62
Program Implementation: Parent Interviews	109	18	67
TOTALS	532	46	176

4. STUDENT INTERVIEWS

Results of the student interviews are reflected on the Charter School Corrective Action Verification/Compliance and Improvement Planning document.

5. CLASSROOM OBSERVATIONS

Observations are conducted in classrooms of students selected by the BSE for the sample group.

	# Yes Responses	# No Responses	# of Other Responses
Classroom Observations	46	4	20

PART II CORRECTIVE ACTION PROCESS

PART I of this report presented an overall summary of findings. In the Appendix to the report, we have provided the detailed findings for each of the criteria of the compliance monitoring document, i.e. FSA, File Reviews, Interviews and Classroom Observations. The detailed report of findings includes:

- Criteria Number
- Statements of all requirements
- Whether each requirement was met, not met, not applicable or other
- Statements of corrective action required for those criteria not met. *Criteria not met that require corrective action by the charter school are gray-shaded.*

Charter schools are advised that in accordance with requirements of the Individuals with Disabilities Education Act, all noncompliance must be corrected as soon as possible but in no case later than one year from the date of the monitoring report. The BSE is required to verify timely correction of noncompliance, and must report annually to the federal government and the public on this requirement.

Upon receipt of this report, the charter school should review the corrective action and improvement planning required. The report is formatted so that findings from all components of the monitoring are consolidated by topical area. The report lists the finding, and whether corrective action is required. For certain types of findings, corrective action will be prescribed, and will not vary from charter school to charter school. For example, if the finding is that the charter school lacks a specific required policy, it is reasonable to have the BSE prescribe a standardized remedy and timeline for correcting this deficiency. However, the majority of corrective action activities will be individually designed by the charter school based on their own unique circumstances and goals.

With respect to the File Review, because students were selected at random, findings are generalized to the entire population of students with disabilities. During the corrective action review, the BSE Single Point of Contact (SPOC) will select students at random and not focus solely on those students in the original sample, although specific circumstances may warrant follow up of students in the original sample. Consequently, the charter school should approach corrective action on a systemic basis. If there has been a finding of noncompliance regarding the appropriateness or implementation of an individual student's program, the individual students are identified by student number to the charter school and, because of the significance of the provision of a free appropriate public education (FAPE) to these students; the charter school must take immediate, individual corrective action.

The SPOC will schedule an onsite visit with the charter school within 60 days following issuance of the monitoring report. The SPOC, charter school, and PaTTAN staff will develop a Charter School Corrective Action Verification/Compliance and Improvement Plan. PaTTAN and IU staff is available to assist the charter school.

Upon conclusion of the corrective action process, the charter school will be notified of its successful completion of the monitoring process.

Complete the following information for all professional staff members.

Staff No.	Name of employee (List all names in alphabetical order)	PA Certified Yes/No	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assignjment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assignmnt	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
1	Ackerman, Carly	Yes	English 7-12 / Spec. Ed. N-12 / Administrative I Principal K-12 (Awaiting Evaluation)	6	Dean of Students	1427	100	0
2	Alam, Imtiaz	Yes	English 7-12	6	English teacher	1427	100	0
3	Anderson, Mikal	Yes	Social Studies 7-12	6	History	1427	100	0
4	Bazemore, Na'Imah	Yes	Elementary K-6/ Special Education N-12 /English 7-12	9-12	Instructional Support	1427	100	0
5	Bilbee, Carolynn	Yes	English 7-12/ Social Studies 7-12	9-12	English	1427	100	0
6	Bluth, Daniel	Yes	Latin	9-12	Latin	1427	100	0
7	Bright, Qwaye	No	Not certified	9-12	Director, Special Education	1427	100	0
8	Bungard, David	Yes	Physics 7-12 / Chemistry 7-12 / Biology 7-12	9-12	Science	1427	100	0
9	Carlisle, Dennis	Yes	Instructional II - K-12	9-12	Art	1427	100	0
10	Casey, Hannah	Yes	Instructional I	9-12	Latin K-12	1427	100	0
11	DePasquale, Anthony	Yes	Mathematics 7-12	9-12	Math	1427	100	0
12	Diviny, Sean	No	Certification pending	9-12	History	1427	100	0
13	Doherty, Alison	Yes	Elementary K-6/Mid-Level English 7-9	6	Health & Wellness	1427	100	0
14	Flounders, Sara	Yes	Instructional II - Latin	9-12	Latin	1427	100	0
15	Gallen, Terese	Yes	Instructional I - English 7-12	9-12	English	1427	100	0
16	Goddu, Brian	Yes	Instructional I - Math 7-12	9-12	Math	1427	100	0

Staff No.	Name of employee (List all names in alphabetical order)	PA Certified Yes/No	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assignjment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assigmnmt	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
17	Hagerman, Matthew	Yes	English 7-12	9-12	English	1427	100	0
18	Harrison, Brian	No	Certification pending	9-12	Science	1427	100	0
19	Hasty, Desmond	No	Not certified	9-12	Technology	1427	100	0
20	Kaur, Jaskiran	Yes	Biology 7-12 / Physics 7-12 / Chemistry 7-12	9-12	Science	1427	100	0
21	Levine, Samantha	Yes	Elementary K-6/Spec. Ed. PK-8	6	Instructional Support	1427	100	0
22	Maloney, Hillary	Yes	Instructional I - Math 7-12 Instructional I Special Ed. N-12	9-12	Algebra I	1427	100	0
23	Maluccio, Kelly	Yes	Math 7-12	6	Math	1427	100	0
24	McDaniel, Richard	Yes	Instructional I - Math 7-12	9-12	Math	1427	100	0
25	McShane, Laura	Yes	English 7-12/ Social Studies 7-12	9-12	English	1427	100	0
26	Muscolino, Korie	Yes	Instructional I - Mid level Math 7-9 Instructional I - Elementary K-6	9	Math	1427	100	0
27	Pascale, Nicholas	Yes	Administrative I - Principal K-12	9-12	Assistant Principal	1427	100	0
28	Reynolds, Charles	Yes	Instructional I - English 7-12	9 & 12	English	1427	100	0
29	Ribay, Randy	Yes	Instructional I - Mid level English 7-9	10 & 11	English	1427	100	0
30	Rohn, Caitlin	Yes	Instructional I - English 7-12	9 & 11	English	1427	100	0
31	Rufo, Michael	No	Certification pending	9-12	Math	1427	100	0
32	Searles, Kathryn	Yes	Instructional I Art K-12	6	Art	1427	100	0
33	Sheldon, Scott	Yes	Instructional I - English 7-12	9-12	English	1427	100	0
34	Smith, John	Yes	Biology 7-12/Chemistry 7-12/General Science 7-12/Social Studies 7-	9-12	Science	1427	100	0
35	Stoltz, Adam	Yes	Music 7-12	6	Music	1427	100	0
36	Strzempka, Joseph	No	working towards certification	9-12	Latin	1427	100	0
37	Surdel, Alexandra	Yes	Intern - Math 7-12	9-12	Math	1427	100	0
38	Tennant, Noah	Yes	Administrative I - Principal K-12	9-12	Principal	1427	100	0

Staff No.	Name of employee (List all names in alphabetical order)	PA Certified Yes/No	Areas of Certification Type of Certificate	Grades Teaching or Serving	All Areas of Assigjment Subject Areas Teaching or Services Provided	Number of Hours Worked in Assigmnmt	Percentage of Time in Certified Position	Percentage of Time in Areas Not Certified
39	Tunstall, Katherine	Yes	Instructional I Math 7-12	9-12	Math	1427	100	0
40	Whalen, Michael	Yes	Intern - Social Studies 7-12	9-12	History	1427	100	0
41	Williams, Charles	Yes	Instructional I - Social Studies 7-12	10	Social Studies	1427	100	0
42	Willis, Phoebe	No	Not certified	6	STEM	1427	100	0
43	Witter, Joel	Yes	Instructional I - English 7-12	9-12	English Comp.	1427	100	0
44	Younkers, Bethany	Yes	Mid-Level Math 7-9/Elementary K-6/Mid-Level English 7-9/Spec. Ed. N-12	9-12	Instructional Support	1427	100	0
45	Zecchin, Matthew	Yes	General Science	6	Science	1427	100	0
46								
47								
48								
49								
50								
51								
52								
53								

Total Number of Administrators (do not include CEO) __3_____
Total Number of Teachers _42_____ Counselors _____ School Nurses _____ Others _____
Total Number of Professional Staff __45_____

Preliminary Statement of Revenues, Expenditures & Fund Balances
Include ALL Funds
as of June 30, 2014

Name of School Boys Latin of Philadelphia Charter School

Address of School 5501 Cedar Avenue, Philadelphia, PA 19143

CEO Signature 

REVENUES

6000		REVENUE FROM LOCAL SOURCES	
6500		EARNINGS ON INVESTMENTS	
	6510	Interest on Investments and Interest-Bearing Checking Accounts	1,693
	6520	Dividends on Investments	
	6530	Gains or Losses on Sale of Investments	
	6540	Earnings on Investments in Real Property	
	6590	Other Earnings or Investments	
6600		FOOD SERVICE REVENUE	
	6610	Daily Sales - Reimbursable Programs	
	6620	Daily Sales - Non-Reimbursable Programs	
	6630	Special Functions	
	6640	Non-Cash Contributions	
	6650	Price Reduction for Reduced Price and Free Meals (Debit)	
	6690	Other Food Service Revenues	
6700		REVENUES FROM STUDENT ACTIVITIES	
	6710	Admissions	
	6720	Bookstore Sales	
	6730	Student Organization Membership Dues and Fees	
	6740	Fees	1,418
	6750	Student Activity - Special Events	17,676
	6790	Other Student Activity Income	8,470
6800		REVENUES FROM INTERMEDIARY SOURCES / PASS THROUGH	
	6810	Revenue from Local Governmental Units	
	6820	Revenue from Intermediary Sources - Commonwealth Funds	
	6830	Revenues from Intermediary Sources - Federal Funds	66,919
	6890	Other Revenues from Intermediary Sources	
6900		OTHER REVENUE FROM LOCAL SOURCES	
	6910	Rentals	
	6920	Contributions & Donations from Private Sources / Capital Contributions	1,268,591
	6930	Gains or Losses on Sale of Fixed Assets (Economic Resource Measurement Focus Only)	
	6940	Tuition from Patrons	
		6941 Regular Day School Tuition	
		6942 Summer School Tuition	
		6943 Adult Education Tuition	
		6944 Receipts From Other LEAs in Pennsylvania - Education	6,051,824

	6945	Receipts from Out-of-State LEAs	
	6946	Receipts from Member Districts - AVTS / Special Program Jointure only	
	6947	Receipts from Members of Intermediate Units for Education by Withholding	
	6948	Receipts from Members of Intermediate Units for Direct Contributions	
	6949	Other Tuition from Patrons	
	6950	Unassigned	
	6960	Services Provide Other Local Governmental Units / LEAs	
	6961	Transportation Services Provided Other Pennsylvania LEAs	
	6969	All Other Services Provided Other Governments and LEAs Not Specified Above	
	6970	Services Provided Other Funds	
	6980	Revenue from Community Service Activities	
	6990	Refunds and Other Miscellaneous Revenue	
	6991	Refunds of a Prior Year Expenditure	8,960
	6999	Other Revenues Not Specified Above	611
7000		REVENUE FROM STATE SOURCES	
7100		BASIC INSTRUCTIONAL AND OPERATING SUBSIDIES	
	7150	Unassigned	
	7160	Tuition for Orphans and Children Placed in Private Homes	
	7180	Staff and Program Development	
7200		REVENUE FOR SPECIFIC EDUCATIONAL PROGRAMS	
	7210	Homebound Instruction	
	7220	Vocational Education	
	7230	Alternative Education	
	7240	Driver Education - Student	
	7250	Migratory Children	
	7260	Workforce Investment Act (WIA)	
	7270	Specialized Education of Exceptional Pupils	
	7280	Adult Literacy	
	7290	Additional Educational Program Revenues	
7300		REVENUES FOR NON-EDUCATIONAL PROGRAMS	
	7310	Transportation (Regular and Additional)	
	7320	Rental and Sinking Fund Payments / Building Reimbursement Subsidy	127,370
	7330	Health Services (Medical, Dental, Nurse, Act 25)	8,463
	7340	Unassigned	
	7350	Sewage Treatment Operations / Environmental Subsidies	
	7360	Safe Schools	
7400		VOCATIONAL TRAINING OF THE UNEMPLOYED	
7500		STATE REVENUE NOT LISTED ELSEWHERE IN THE 7000 SERIES OF ACCOUNTS	
	7502	Dual Enrollment Grants	
	7503	Project 720/High School Reform	
	7599	Other State Revenue Not Listed Elsewhere in the 7000 Series	
7600		REVENUE FOR MILK, LUNCH AND BREAKFAST PROGRAMS	15,397
7800		REVENUE FOR THE COMMONWEALTH'S SHARE OF PAID BENEFITS	
	7810	State Share of Social Security and Medicare Taxes	
	7820	State Share of Retirement Contributions	393,601

7900		REVENUE FOR TECHNOLOGY	
	7910	Educational Technology	
	7990	Other Technology Grants	
8000		REVENUE FROM FEDERAL SOURCES	
8100		UNRESTRICTED GRANTS-IN-AID DIRECT FROM THE FEDERAL GOVERNMENT	
	8110	Payments for Federally Impacted Areas - P.L. 81-874	
	8190	Other Unrestricted Federal Grants-in-Aid Direct from the Federal Government	
8200		UNRESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH	
8300		RESTRICTED GRANTS-IN-AID DIRECTLY FROM THE FEDERAL GOVERNMENT	
	8310	Payments for Federally Impacted Areas - P.L. 81-815	
	8320	Energy Conservation Grants - TA and ECM	
	8390	Other Restricted Federal Grants-in-Aid Directly from the Federal Government	
8500		RESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA), NO CHILD LEFT BEHIND (NCLB), VOCATIONAL EDUCATION, CHILD NUTRITION AND CAREER EDUCATION PROGRAMS	
	8510	Individuals with Disabilities Education Act (IDEA) and No Child Left Behind (NCLB)	325,276
	8520	Vocational Education	
	8530	Child Nutrition Program	330,185
	8540	Nutrition Education and Training	
	8560	Federal Block Grants	
	8570	Unassigned	
	8580	Child Care and Development Block Grants	
	8590	Unassigned	
8600		RESTRICTED GRANTS-IN-AID FROM THE FEDERAL GOVERNMENT THROUGH THE COMMONWEALTH FOR DRIVER EDUCATION, ADULT EDUCATION, CETA, HEADSTART, ENERGY CONSERVATION, WORKFORCE INVESTMENT ACT AND OTHER PROGRAMS	
	8610	Homeless Assistance Act	
	8620	Adult Basic Education	
	8640	Headstart	
	8650	Unassigned	
	8660	Workforce Investment Act (WIA)	
	8670	Unassigned	
	8680	Unassigned	
	8690	Other Restricted Federal Grants-in-Aid through the Commonwealth	
8800		MEDICAL ASSISTANCE REIMBURSEMENTS	
9000		OTHER FINANCING SOURCES	
9100		SALE OF BONDS	
	9110	Bond Issue Proceeds (Gross)	

	9420	Proceeds from Refunding of Bonds	
	9200	PROCEEDS FROM EXTENDED TERM FINANCING	
	9300	INTERFUND TRANSFERS	
	9310	General Fund Transfers	
	9320	Special Revenue Fund Transfers	
	9330	Capital Projects Funds Transfers	
	9340	Debt Service Fund Transfers	
	9350	Enterprise Fund Transfers	
	9360	Internal Service Fund Transfers	
	9370	Trust and Agency Fund	
	9380	Activity Fund Transfers	
	9390	Permanent Fund Transfers	
	9400	SALE OF OR COMPENSATION FOR LOSS OF FIXED ASSETS	
	9500	Unassigned	
	9600	Unassigned	
	9700	TRANSFERS INVOLVING COMPONENT UNITS AND PRIMARY GOVERNMENTS	
	9710	Transfers from Component Units	
	9720	Transfers from Primary Governments	
	9800	INTRAFUND TRANSFERS IN	
	9810	General Fund Intrafund Transfers	
	9820	Special Revenue Intrafund Transfers	
	9840	Debt Service Intrafund Transfers	
	9850	Enterprise Intrafund Transfers	
	9860	Internal Service Intrafund Transfers	
	9870	Trust and Agency Intrafund Transfers	
	9880	Activity Interfund Transfers	
TOTAL REVENUES			8,626,454

**BOYS LATIN OF PHILADELPHIA
CHARTER SCHOOL
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013**

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
YEAR ENDED JUNE 30, 2013**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Boys Latin of Philadelphia Charter School
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the blended component units and each major fund of Boys Latin of Philadelphia Charter School (a nonprofit organization) (the "School") as of and for the year ended June 30, 2013, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the School'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 School'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, the blended component units and each major fund of the School as of June 30, 2013, 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.

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 4 - 7 and page 25, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Citrin Cooperman & Company, L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Philadelphia, Pennsylvania
November 25, 2013

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

The Board of Trustees of Boys Latin of Philadelphia Charter School ("Boys Latin"), Choice Holdings, LLC ("CHLLC") and Choice Academies, Inc. ("CAInc") (collectively, the "School") offers readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented herein in conjunction with the School's financial statements.

Financial Highlights

- Total governmental revenues for the fiscal year ended June 30, 2013, were \$7,087,415, representing an increase of \$1,127,931 from June 30, 2012.
- At June 30, 2013, the School reported an ending governmental fund balance of \$210,809. This balance was the result of a \$492,733 surplus for the year ended June 30, 2013.
- The School's cash balance at June 30, 2013, was \$343,968, representing an increase of \$207,272 from June 30, 2012.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements as presented comprise four components: (1) management's discussion and analysis (this section), (2) the basic financial statements, (3) the notes to the financial statements, and (4) the federal awards section.

Government-Wide Financial Statements

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

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

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. expenditures accrued in one fiscal year but paid in subsequent years, and depreciation).

The government-wide financial statements report on the function of the School that is principally supported by subsidies from school districts whose constituents attend the School. The School's function is to provide an alternative educational opportunity.

Fund Financial Statements

A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. The School, like governmental-type entities, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School has two fund types: the governmental general fund and special revenue fund.

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Overview of the Financial Statements (Continued)

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.

Supplementary Information

The governmental fund budgetary comparison schedule is presented for purposes of additional analysis and is prepared using a basis other than accounting principles generally accepted in the United States of America ("GAAP") for state reporting requirements.

Single Audit Requirements

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*.

Government-Wide Financial Analysis

Management has adopted Governmental Accounting Standards Board ("GASB") Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, which requires a comparative analysis of current and prior-year balances.

	June 30,	
	2013	2012
Current assets	\$ 639,049	\$ 371,702
Noncurrent assets	8,549,598	8,920,032
Total assets	9,188,647	9,291,734
Current liabilities	701,744	920,463
Long-term liabilities	8,534,011	8,795,325
Total liabilities	9,235,755	9,715,788
Net position:		
Net investment in capital assets	(257,917)	(142,130)
Unrestricted	210,809	(281,924)
Total net position	\$ (47,108)	\$ (424,054)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, liabilities exceeded assets by \$47,108 as of June 30, 2013.

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

Overview of the Financial Statements (Continued)

Government-Wide Financial Analysis (Continued)

The School's revenues are predominately received from the School District of Philadelphia based on student enrollment. For the year ended June 30, 2013, the School's revenues (\$7,442,890) exceeded its expenses (\$7,065,944) by \$376,946.

	<u>2013</u>	<u>2012</u>
Revenues:		
Local educational agencies	\$ 4,400,480	\$ 4,421,842
State sources	348,603	284,884
Federal sources	746,070	699,814
Other revenue	1,821,372	552,944
Interest forgiveness	<u>126,365</u>	<u>1,052,440</u>
Total revenues	<u>7,442,890</u>	<u>7,011,924</u>
Expenditures:		
Other instructional programs	2,921,326	2,928,670
Administrative services	1,295,051	1,300,789
Pupil health	41,989	46,864
Business services	80,563	79,620
Operation and maintenance of plant services	404,652	262,020
Student activities	306,395	205,966
Other support services	619,374	76,380
Student transportation	-	42,124
Food services	371,530	302,276
Interest expense	425,521	649,209
Depreciation expense	<u>599,543</u>	<u>512,845</u>
Total expenditures	<u>7,065,944</u>	<u>6,406,763</u>
Change in net position	376,946	605,161
Net position - beginning	<u>(424,054)</u>	<u>(1,029,215)</u>
NET POSITION - ENDING	<u>\$ (47,108)</u>	<u>\$ (424,054)</u>

Governmental Funds

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

The general fund is the chief operating fund of the School. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$227,422. At June 30, 2013, the governmental funds of the School reported a combined fund balance of \$210,809.

See independent auditors' report.

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013**

General Fund Budgetary Highlights

Over the course of the year, the School revised the annual operating budget several times. These budget amendments consisted of changes made within budgetary line items for changes in the school-based needs for programs, supplies and equipment. There were no formal budget amendments made that were required to be submitted to the State of Pennsylvania.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2013, the School's net investment in capital assets for its governmental activities totaled \$257,917 (net of accumulated depreciation and related debt). This net investment in capital assets includes the School's facilities, building improvements and various equipment for the School.

Long-term Debt

As of June 30, 2013, the School has notes payable of \$8,807,515.

Economic Factors and Next Year's Budgets and Rates

The School does not foresee any substantial variations with next year's economic factors, budgets, or rates.

Future Events That Will Financially Impact The School

The School does not foresee any future events at this time that will financially impact the School.

Contacting the School's Financial Management

The financial report is designed to provide interested parties a general overview of the Boys Latin of Philadelphia Charter School's finances. Questions regarding any of the information provided in this report should be addressed to Chief Executive Officer, Boys Latin of Philadelphia Charter School, 5501 Cedar Avenue, Philadelphia, PA 19143, or call (215) 387-5149.

Component Unit

Choice Holdings, LLC and Choice Academies, Inc. are component units of the School and are reported as part of the general fund and special revenue fund, respectively, in the government-wide financial statements. Complete financial statements of CHLLC and CAInc can be obtained by writing to CHLLC and CAInc at 2763 Limekiln Pike, Glenside, PA 19038.

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 343,968
State subsidies receivable	75,967
Federal subsidies receivable	22,870
Other receivables	135,016
Prepaid expenses	61,228
Capital assets:	
Land	1,172,496
Construction in progress	29,965
Building	1,335,738
Building improvements	7,285,949
Equipment	1,105,266
Less: accumulated depreciation	<u>(2,379,816)</u>
Total assets	<u>9,188,647</u>
LIABILITIES	
Accounts payable and accrued expenses	138,708
Salaries and benefits payable	286,067
Deferred revenue	3,465
Long-term obligations:	
Notes payable:	
Due within one year	273,504
Due beyond one year	<u>8,534,011</u>
Total liabilities	<u>9,235,755</u>
Commitments and contingencies (Notes 7, 8, 9 and 10)	
NET POSITION	
Net investment in capital assets	(257,917)
Unrestricted	<u>210,809</u>
Total net position	<u>\$ (47,108)</u>

See accompanying notes to financial statements.

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013**

Functions	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Primary government:			
Governmental activities:			
Other instructional programs	\$ 2,921,326	\$ 1,551,952	\$ (1,369,374)
Administrative services	1,295,051	65,738	(1,229,313)
Pupil health	41,989	8,150	(33,839)
Business services	80,563	9,167	(71,396)
Operation and maintenance of plant services	404,652	307,682	(96,970)
Student activities	306,395	4,995	(301,400)
Other support services	619,374	-	(619,374)
Food services	371,530	370,330	(1,200)
Interest expense	425,521	-	(425,521)
Depreciation expense	599,543	-	(599,543)
Total governmental activities	<u>\$ 7,065,944</u>	<u>\$ 2,318,014</u>	<u>(4,747,930)</u>
General revenues:			
Local educational agencies			3,406,249
All other revenue			1,592,262
Interest forgiveness			126,365
Total general revenues			<u>5,124,876</u>
Change in net position			376,946
Net position - beginning			<u>(424,054)</u>
NET POSITION - ENDING			<u>\$ (47,108)</u>

See accompanying notes to financial statements.

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 341,556	\$ 2,412	\$ 343,968
State subsidies receivable	75,967	-	75,967
Federal subsidies receivable	22,870	-	22,870
Other receivables	135,016	-	135,016
Prepaid expenses	61,228	-	61,228
TOTAL ASSETS	\$ 636,637	\$ 2,412	\$ 639,049

LIABILITIES AND FUND BALANCE (DEFICIT)

Liabilities:			
Accounts payable and accrued expenses	\$ 119,683	\$ 19,025	\$ 138,708
Salary and benefits payable	286,067	-	286,067
Deferred revenue	3,465	-	3,465
Total liabilities	409,215	19,025	428,240
Fund balance (deficit):			
Unassigned	227,422	(16,613)	210,809
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 636,637	\$ 2,412	\$ 639,049

See accompanying notes to financial statements.

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
JUNE 30, 2013**

Total fund balance for governmental funds \$ 210,809

Total net position reported for governmental activities in the statement of net position is different because:

Long-term liabilities and accrued interest that pertain to governmental funds, including notes payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year end are:

(8,807,515)

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	1,172,496
Construction in progress	29,965
Building	1,335,738
Building improvements	7,285,949
Equipment	1,105,266
Less: accumulated depreciation	<u>(2,379,816)</u>

8,549,598

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (47,108)**

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT) OF GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Local educational agencies	\$ 4,400,480	\$ -	\$ 4,400,480
Other local sources	1,150,662	441,600	1,592,262
State sources	348,603	-	348,603
Federal sources	<u>746,070</u>	<u>-</u>	<u>746,070</u>
Total revenues	<u>6,645,815</u>	<u>441,600</u>	<u>7,087,415</u>
Expenditures:			
Instruction	2,921,127	15,000	2,936,127
Support services	1,956,512	-	1,956,512
Non-instructional services	488,751	430,180	918,931
Capital outlays	229,110	-	229,110
Debt service	<u>680,367</u>	<u>-</u>	<u>680,367</u>
Total expenditures	<u>6,275,867</u>	<u>445,180</u>	<u>6,721,047</u>
Excess (deficiency) of revenues over expenditures	369,948	(3,580)	366,368
Other financing sources:			
Interest forgiveness	<u>126,365</u>	<u>-</u>	<u>126,365</u>
Net change in fund balance (deficit)	496,313	(3,580)	492,733
Fund deficit - beginning	<u>(268,891)</u>	<u>(13,033)</u>	<u>(281,924)</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 227,422</u>	<u>\$ (16,613)</u>	<u>\$ 210,809</u>

See accompanying notes to financial statements.

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT) OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013**

Net change in fund balance - total governmental funds \$ 492,733

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

Governmental funds report note proceeds as financing sources, while repayment of note principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities, and repayment of principal reduces the liability. The net effect of these differences in the treatment of notes payable is as follows:

Repayment of notes payable principal 254,646

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense, as follows:

Capital outlays	229,110	
Depreciation expense	<u>(592,543)</u>	
		<u>(370,433)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 376,946

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

Boys Latin of Philadelphia Charter School ("Boys Latin") is organized as a nonprofit corporation in Pennsylvania to operate a charter school in accordance with Pennsylvania Act 22 of 1997 (the "Act"), and is operating under a charter school contract through June 30, 2017, which may be renewed for an additional term. The School is located in Philadelphia, Pennsylvania. During the 2012-2013 school year, the School served children in grades 9 through 12.

Boys Latin has financial accountability and control over all activities related to the students' education. Boys Latin receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. The reporting entity of Boys Latin is based upon criteria set forth by Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The GASB has issued Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34* ("Statement 61"). Statement 61 provides additional criteria for classifying entities as component units to better assess the accountability of school officials by ensuring that the financial reporting entity includes only organizations for which the officials are financially accountable or that are determined by the government to be misleading to exclude. The statement is effective for periods beginning after June 15, 2012. Statement 61 does not have any impact on Boys Latin's financial statements.

The accompanying financial statements present the activities of Boys Latin and its blended component units. Boys Latin is not a component unit of another reporting entity. The decision to include a potential component unit in Boys Latin's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. As described below, Boys Latin has identified two component units.

Component Units

Choice Holdings, LLC ("CHLLC") is a legally separate, not-for-profit component unit of Boys Latin. CHLLC's purpose is to lease property to and from Boys Latin in connection with its operation of a charter school. Because Boys Latin controls the resources of CHLLC and utilizes these resources for its benefit, CHLLC is considered a blended component unit of Boys Latin and is combined with the governmental activities and general fund of Boys Latin.

Choice Academies, Inc. ("CAInc") is a legally separate, not-for-profit component unit of Boys Latin. CAInc's purpose is to provide various programs to Boys Latin, including, but not limited to, afterschool activities. Because Boys Latin controls the resources and utilizes these resources for its benefit, CAInc is considered a blended component unit of Boys Latin and is combined with the governmental activities of Boys Latin and shown as a special revenue fund.

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The financial statements of Boys Latin include CHLLC and CAInc as blended component units of Boys Latin and have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. Boys Latin, and its blended component units CHLLC and CAInc, are collectively referred to as the "School." The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School's accounting policies are described below.

The GASB has issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* ("Statement 62"). Statement 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that are included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. Statement 62 does not have any impact on the School's financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report on the School as a whole. The statement of activities demonstrates the degree to which the direct expenses of the School's function are offset by program revenues.

The fund financial statements (governmental fund balance sheet and statement of governmental fund revenues, expenditures and changes in fund balance (deficit)) report on the School's general fund and special revenue fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide financial statements

The statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements

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 measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund financial statements (continued)

The School reports the following major governmental funds:

General Fund - The general fund is the operating fund of the School and accounts for all revenues and expenditures of the School.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Net Position

The School has adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* ("Statement 63"). Statement 63 establishes a new statement of net position format that reports separately all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). Statement 63 requires deferred outflows of resources and deferred inflows of resources to be reported separately from assets and liabilities. The financial reporting impact resulting from the implementation of Statement 63 in the School's financial statements was the renaming of "net assets" to "net position," including changing the name of the financial statement from "Statement of net assets" to "Statement of net position." Statement 63 requires the classification of net position into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net asset component as the unspent proceeds.
- Restricted - This component of net position consists of constraints placed on the use of net assets through external constraints imposed by creditors such as through debt covenants, grantors, contributions, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component of net position consists of net assets that do not meet the definition of "restricted" or "net investment in capital assets."

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classification Policies and Procedures

The School follows the provisions of GASB Statement No. 54, *Fund Balances* ("Statement 54"). Statement 54 requires the classification of the School's fund balance classifications into five components: nonspendable, restricted, committed, assigned, and unassigned. These classifications are defined as follows:

- Nonspendable - This category is for amounts that can not be spent because they are either (1) not in spendable form or (2) legally or contractually required to remain intact.
- Restricted - This category is the part of the fund balance that is restricted to be spent for a specific purpose. The constraints on these amounts must be externally imposed by creditors, grantors, contributors, or by laws or regulations of other governments, or by enabling legislation.
- Committed - This category is the portion of the fund balance that can only be used for specific purposes as a result of formal action by the School's highest level of authority.
- Assigned - This category reflects funds that the School intends to use for a specific purpose but are not considered restricted or committed.
- Unassigned - This category represents the part of the spendable fund balance that has not been categorized as nonspendable, restricted, committed, or assigned.

Budgets and Budgetary Accounting

The School adopts an annual budget on a basis consistent with GAAP for the general fund. The School is required to present the adopted and final budgeted revenues and expenditures for the general fund that were filed and accepted by the Labor, Education and Community Services Comptroller's Office. The general fund budget appears on page 25.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash on deposit and certificates of deposit that are readily convertible into cash and purchased with original maturities of three months or less.

Prepaid Expenses

Prepaid expenses include payments to vendors for services applicable to future accounting periods, such as rental payments and insurance premiums.

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables primarily consist of amounts due from the Pennsylvania Department of Education for federal and state grants and subsidies. Receivables are stated at the amount management expects to collect. As of June 30, 2013, based on historical experience, no allowance has been established.

Capital Assets

Boys Latin's capital assets, which include leasehold improvements and furniture and equipment, are reported in the government-wide financial statements. All capital assets are capitalized at cost and updated for additions and retirements during the year. Boys Latin maintains a threshold level of \$2,500 or more for capitalizing assets. Boys Latin does not possess any infrastructure. The infrastructure is owned by CHLLC, which is shown as blended in the accompanying financial statements. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. The School's capital assets are depreciated using the straight-line method over the useful lives of the assets, which range from five to twenty-five years.

Deferred Outflows/Inflows of Resources

Statement 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. In compliance with Statement 63, the "Statement of net assets" has been renamed the "Statement of net position" and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School has no items that qualify for reporting in this category.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School has no items that qualify for reporting in this category.

Advertising Costs

All costs associated with advertising and promotions are expensed in the year incurred.

Income Tax Status

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Uncertain Tax Positions

The School accounts for uncertainty in income taxes in which tax positions initially need to be recognized in the financial statements when it is more likely than not that the positions will be sustained upon examination by taxing authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncertain Tax Positions (Continued)

As of June 30, 2013, the School has no uncertain tax positions that qualified for either recognition or disclosure in the financial statements. Additionally, the School has no interest and penalties related to income taxes.

The School files an income tax return in the U.S. federal jurisdiction. With few exceptions, the School is no longer subject to U.S. federal income tax examinations by taxing authorities for years before the fiscal year ended June 30, 2010.

Subsequent Events

The School has evaluated subsequent events through November 25, 2013, the date on which these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

NOTE 2. CASH

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School monitors custodial credit risk by periodically reviewing the Federal Deposit Insurance Corporation's ("FDIC") limits and published credit ratings of its depository bank. Accounts are insured by the FDIC up to \$250,000 for all accounts kept at one financial institution. Under Pennsylvania Act 72, financial institutions pledge collateral on a pooled basis to secure public deposits in excess of FDIC insurance limits. Boys Latin has not elected for its accounts to be covered under this act.

As of June 30, 2013, the custodial risk is as follows:

	Governmental Activities
Uninsured and uncollateralized	\$ -
Collateralized	-
Uninsured and collateral held by the pledging bank's trust department not in Boys Latin's name	-
Total	\$ -

Reconciliation to the financial statements:

	Governmental Activities
Cash exposed to custodial risk	\$ -
Plus: insured amount	200,654
Less: outstanding checks	(37,050)
Plus: Deposits in transit	180,000
Plus: Petty cash	364
	\$ 343,968

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3. RECEIVABLES

Receivables at June 30, 2013, consisted of subsidies from federal, state, local, and private authorities. All receivables are considered collectible due to the stable condition of the state and private programs.

A summary of receivables follows:

<u>Receivables</u>	<u>Amount</u>
Federal	\$ 22,870
State	75,967
Private	<u>135,016</u>
	<u>\$ 233,853</u>

NOTE 4. LOCAL EDUCATIONAL AGENCY ASSISTANCE (REVENUE)

Boys Latin receives funding from the School District of Philadelphia on a monthly basis based on enrollment. The rate of funding per student is determined on an annual basis.

Charter schools are funded by the local public school district. For non-special education students, a charter school receives for each student enrolled no less than the budgeted total expenditure per average daily membership of the prior school year as defined by the Act. For the year ended June 30, 2013, the rate was \$8,064 per year for most of the students, plus additional funding for special education students and transportation. The annual rate is paid monthly and is prorated if a student enters or leaves during the year. Total revenue from student enrollment was \$4,400,480 for the year ended June 30, 2013.

NOTE 5. CAPITAL ASSETS, NET

Capital asset activity for the year ended June 30, 2013, was as follows:

	<u>Balance - July 1, 2012</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance - June 30, 2013</u>
Capital assets that are not depreciated:				
Land	\$ 1,172,496	\$ -	\$ -	\$ 1,172,496
Construction in progress	<u>-</u>	<u>29,965</u>	<u>-</u>	<u>29,965</u>
Total	<u>1,172,496</u>	<u>29,965</u>	<u>-</u>	<u>1,202,461</u>
Capital assets that are depreciated:				
Building	1,335,738	-	-	1,335,738
Building improvements	7,285,949	-	-	7,285,949
Equipment	906,121	199,145	-	1,105,266
Less: accumulated depreciation	<u>(1,780,273)</u>	<u>(599,543)</u>	<u>-</u>	<u>(2,379,816)</u>
Total depreciable capital assets, net	<u>7,747,535</u>	<u>(400,398)</u>	<u>-</u>	<u>7,347,137</u>
Capital assets, net	<u>\$ 8,920,031</u>	<u>\$ (370,433)</u>	<u>\$ -</u>	<u>\$ 8,549,598</u>

Depreciation expense for the year ended June 30, 2013, was \$599,543.

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6. RETIREMENT PLAN

Boys Latin contributes to the Public School Employees' Retirement System (the "System"), a governmental cost-sharing, multiple-employer defined benefit pension plan administered by the Pennsylvania Public School Employees' Retirement System, which provides retirement and disability benefits, legislative-mandated ad-hoc cost-of-living adjustments, and health care insurance premium assistance to qualifying annuitants. The Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 P.A.C.S. 8101-8535) assigns the authority to establish and amend benefit provisions to the System. The System issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to Diane J. Wert, Office of Financial Management, P.O. Box 125, Harrisburg, Pennsylvania, 17108-0125. This publication is also available on the PSERS website at www.psers.state.pa.us/publications/general/cafr.htm.

The contribution policy is established in the Public School Employees' Retirement Code and requires contributions by active members, employers and the Commonwealth.

Member contributions are as follows:

- Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T-C) or at 6.50% (Membership Class T-D) of the member's qualifying compensation.
- Members who joined the System prior to, on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.50% (Membership Class T-D) of the member's qualifying compensation.
- Members who joined the System after June 30, 2001, contribute at 7.50% (Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.
- Members who joined the System on or after July 1, 2011, may choose between two classes of membership and, therefore, two different base contribution rates that are subject to a limited fluctuation based on a "shared risk." Membership Class T-E members will have a base employee contribution rate of 7.5%, with shared risk contribution rate levels from 7.5% through and including 9.5%. Membership Class T-F members have a base employee contribution rate of 10.3%, with shared risk contribution rate levels from 10.3% through and including 12.3%.

With the "shared risk" program, members benefit when investments of the fund are doing well and share some of the risk when investments underperform. Membership Class T-E or T-F contribution rates will stay within the specified range, but may increase or decrease by .5% with the specified range once every three years, starting July 1, 2015. The contribution rates for these two membership classes will never go below the base rate or above the highest percentage rate.

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6. RETIREMENT PLAN (CONTINUED)

Contributions required of Boys Latin are based upon actuarial valuation. For the fiscal year ended June 30, 2013, the rate of Boys Latin's contribution was 12.36% of covered payroll. The 12.36% rate is composed of a pension contribution rate of 11.50% for pension benefits and 0.86% for healthcare insurance premium assistance. Payroll expense for employees covered by the System for the year ended June 30, 2013, was approximately \$2,900,000. Boys Latin's contributions to the System for the years ended June 30, 2013, 2012, and 2011, amounted to \$330,074, \$242,742, and \$112,269, respectively.

NOTE 7. LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 2013:

Loan 1 - In September 2007, CHLLC secured a construction loan with TD Bank for a total amount of \$5,775,000 to acquire the School's facility and fund improvements. In May 2009, the loan was converted to a 25-year term at an annual interest rate of 4.73%. The loan is payable in monthly installments of \$32,610 and is secured by all assets of the School subject to the security agreement and all real and personal property subject to the lien of the mortgage. \$ 5,237,117

Loan 2 - In September 2007, CHLLC secured a second construction loan with TD Bank for a total amount of \$722,000 to fund improvements at the School's facility. In July 2008, the loan was converted to a 7-year term at an annual interest rate of 5.05%. The loan is payable in monthly installments of \$10,247 and is secured by all assets of the School subject to the security agreement and all real and personal property subject to the lien of the mortgage. 242,287

Loan 3 - In November 2007, Boys Latin secured a note with TD Bank for a total amount of \$100,000. The note had a 5-year term at an annual interest rate of 7%. The loan was paid off in full during the 2013 fiscal year. -

Loan 4 - In October 2011, Boys Latin modified its line of credit to a note secured with TD Bank for a total amount of \$50,000. The terms of the note are a 3-year term at an annual interest rate of 4%. The loan is payable in monthly installments of \$1,473 and is secured by the School's deposits. 23,111

Loan 5 - In May 2007, Boys Latin secured a note with Philadelphia Trading, Inc. for a total amount of \$1,175,000. The original terms of the note were a 5-year term at an annual interest rate of 7%. The note no longer bears interest and all previously accrued interest has been forgiven. 775,000

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 7. LONG-TERM DEBT (CONTINUED)

Loan 6 - In December 2007, Boys Latin secured a note with Philadelphia Trading, Inc. originally for \$930,000. The note now bears an outstanding principal balance for \$2,530,000. The original terms of the note were a 138-month term at an annual interest rate of 7%. The note no longer bears interest, and all previously accrued interest has been forgiven.

	<u>2,530,000</u>
	8,807,515
Less: current maturities	<u>(273,504)</u>
	<u>\$ 8,534,011</u>

Following are changes in long-term debt for the year ended June 30, 2012:

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013	Amount Due in One Year
Loan 1	\$ 5,362,272	\$ -	\$ (125,155)	\$ 5,237,117	\$ 143,273
Loan 2	349,828	-	(107,541)	242,287	113,176
Loan 3	5,774	-	(5,774)	-	-
Loan 4	39,489	-	(16,378)	23,111	17,055
Loan 5	775,000	-	-	775,000	-
Loan 6	<u>2,530,000</u>	-	-	<u>2,530,000</u>	-
	<u>\$ 9,062,363</u>	<u>\$ -</u>	<u>\$ (254,848)</u>	<u>\$ 8,807,515</u>	<u>\$ 273,504</u>

Interest expense on long-term debt was \$425,521 for the year ended June 30, 2013. Effective October 25, 2012, the accrued interest on the loans to Philadelphia Trading Inc. was forgiven, and all future interest is forgiven until further notice. The total amount of interest forgiven as of October 25, 2012 was \$1,178,805, of which \$126,365 and \$1,052,440 was recognized as of June 30, 2013 and 2012, respectively. The June 30, 2012 amount was considered forgiven as a recognized subsequent event under Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 855-10, *Subsequent Events*. Such amount is included in the statement of revenues, expenditures and changes in fund balance (deficit) of governmental funds in "Other financing sources."

Future principal and interest requirements of long-term debt based on the schedule of mandatory redemption are as follows:

Year Ending June 30:	Principal	Interest	Total
2014	\$ 273,504	\$ 258,461	\$ 531,965
2015	275,462	244,934	520,396
2016	167,024	234,343	401,367
2017	165,363	225,958	391,321
2018	173,470	217,852	391,322
2019-2023	1,002,932	953,676	1,956,608
2024-2028	1,273,896	682,712	1,956,608
2029-2033	1,619,005	337,602	1,956,607
2034-2035	<u>551,859</u>	<u>20,658</u>	<u>572,517</u>
	<u>\$ 5,502,515</u>	<u>\$ 3,176,196</u>	<u>\$ 8,678,711</u>

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8. COMMITMENT

In June 2011, the School entered into a three-year agreement with an organization for various business services at a monthly rate of \$5,175. The minimum payments under the agreement are as follows:

<u>Year ending June 30:</u>	<u>Amount</u>
2014	\$ <u>62,100</u>

NOTE 9. FEDERAL AND STATE GRANT CONTINGENCIES

Federal and state grants received are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although Boys Latin expects such amounts, if any, to be immaterial.

NOTE 10. LITIGATION

The School is, from time to time, involved in claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, at this time, the ultimate resolution of these matters will not have an adverse effect on the financial position of the School.

NOTE 11. EMPLOYEE BENEFIT PLAN

Boys Latin maintains a savings incentive plan 403(B) for its employees. All employees are eligible. Participants may elect voluntary salary deferrals under the plan up to the maximum permitted by law. Boys Latin does not make a contribution to the plan.

REQUIRED SUPPLEMENTARY INFORMATION

BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP)
GENERAL FUND
YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Over (Under)</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local educational agencies	\$ 4,161,728	\$ 4,161,728	\$ 4,400,480	\$ 238,752
Other sources	442,449	442,449	1,150,662	708,213
State sources	238,274	238,274	348,603	110,329
Federal sources	<u>567,605</u>	<u>567,605</u>	<u>746,070</u>	<u>178,465</u>
Total revenues	<u>5,410,056</u>	<u>5,410,056</u>	<u>6,645,815</u>	<u>1,235,759</u>
Expenditures:				
Instruction	2,902,601	2,902,601	2,921,127	18,526
Support services	1,647,406	1,647,406	1,956,512	309,106
Non-instructional services	433,508	433,508	488,751	55,243
Capital outlays	-	-	229,110	229,110
Debt service	<u>563,000</u>	<u>563,000</u>	<u>680,367</u>	<u>117,367</u>
Total expenditures	<u>5,546,515</u>	<u>5,546,515</u>	<u>6,275,867</u>	<u>729,352</u>
Excess (deficiency) of revenues over expenditures	(136,459)	(136,459)	369,948	506,407
Other financing sources:				
Interest forgiveness	<u>-</u>	<u>-</u>	<u>126,365</u>	<u>126,365</u>
Net change in fund balance	(136,459)	(136,459)	496,313	632,772
Fund balance - beginning	<u>(281,924)</u>	<u>(281,924)</u>	<u>(268,891)</u>	<u>13,033</u>
FUND BALANCE - ENDING	<u>\$ (418,383)</u>	<u>\$ (418,383)</u>	<u>\$ 227,422</u>	<u>\$ 645,805</u>

See independent auditors' report.

SINGLE AUDIT

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013**

<u>Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education, Pass-through the Pennsylvania Department of Education</u>			
Title I Grants to LEAs	84.010	013-131065	\$ 317,987
Improving Teacher Quality State Grants	84.367	020-131065	8,250
<u>U.S. Department of Agriculture, Pass-through the Pennsylvania Department of Education</u>			
National School Lunch Program	10.555	362	218,308
School Breakfast Program	10.553	365	133,199
<u>U.S. Department of Education Pass-through the School District of Philadelphia</u>			
Special Education Grants to States	84.027	N/A	<u>68,326</u>
Total Federal Financial Assistance			<u>\$ 746,070</u>

See accompanying notes to schedule of expenditures of federal awards.

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013**

NOTE 1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Boys Latin of Philadelphia Charter School ("Boys Latin"). The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting, which is described in Note 1 to the basic financial statements.



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**INDEPENDENT AUDITORS' 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 Trustees
Boys Latin of Philadelphia Charter School
Philadelphia, Pennsylvania

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, the blended component units and each major fund of Boys Latin of Philadelphia Charter School (the "School") as of and for the year ended June 30, 2013, which collectively comprise the School's basic financial statements, and have issued our report thereon dated November 25, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 School'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 of 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Citricooperman & Company, L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Philadelphia, Pennsylvania
November 25, 2013



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Trustees
Boys Latin of Philadelphia Charter School
Philadelphia, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Boys Latin of Philadelphia Charter School's ("Boys Latin") compliance with the types of compliance requirements described in the *Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. Boys Latin's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Boys Latin's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Boys Latin's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Boys Latin's compliance.

Opinion on Each Major Federal Program

In our opinion, Boys Latin complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Boys Latin is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Boys Latin's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Boys Latin's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Gitlin Cooperman + Company, L.P.
CERTIFIED PUBLIC ACCOUNTANTS

Philadelphia, Pennsylvania
November 25, 2013

**BOYS LATIN OF PHILADELPHIA CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013**

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Boys Latin of Philadelphia Charter School ("Boys Latin"), Choice Holdings, LLC ("CHLLC") and Choice Academies, Inc. ("CAInc") (collectively, the "School").
2. No reportable conditions relating to the financial statements are reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statements of the School were disclosed during the audit.
4. No reportable conditions relating to the audit of major federal award programs are reported in the Independent Auditors' Report for Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs of Boys Latin expresses an unqualified opinion.
6. There were no audit findings that were required to be reported under OMB Circular A-133.
7. The programs tested as major program were Title I Grants to LEAs, CFDA #84.010, National School Lunch Program, CFDA #10.555, School Breakfast Program, CFDA #10.553.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Boys Latin does not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no financial statement findings.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM AUDIT

There were no findings and questioned costs for federal awards, which would include audit findings as defined in OMB Circular A-133.