II. Sustainability

Part 2: Bright Beginnings Charter School maintains a strong financial position as indicated in its last two audited financial statements. The school completed FY 09 with total net assets (stockholder's equity) of $441,308 and a gain in net income of $184,384. Its cash position was also strong with $273,918 net cash provided by the school's operating activities. Bright Beginnings relies on strong financial systems and processes to ensure the continued fiscal strength of the school. These procedures are described below

- ***Accounting Procedures*** – As required by its charter contract, Bright Beginnings follows generally accepted accounting principles. Although exempt from the Uniform System of Financial Records for Charter Schools (USFRCS), the school uses a modified version of the USFRCS chart of accounts to track its finances and comply with various reporting requirements. The school has had a good compliance record as indicated in the last two audits performed by an independent certified public accountant. No significant deficiencies or material weaknesses were noted. The school is continually striving to improve and as such, any suggestions by the auditor to enhance operations are discussed by the Governance Committee as a potential change to fiscal operations.

- ***Fiscal Decision-Making:*** The School Principal has the fiscal authority to approve all expenditures. To ensure fiscal capacity prior to approving disbursements, the Principal reviews various monthly financial reports that are provided by her contracted financial service provider. These reports include a year-to-date balance sheet, income statement, cash flow analysis, vendor list and expenditures per vendor report. The principal monitors budget to actual information and expenditure trends. If there are unexpected changes in the trends, she investigates the reason(s) to determine if additional action is needed.

- ***Site Level Personnel with Fiscal Authority*** –The school has only one site and utilizes the processes described above for fiscal decision-making.

- ***Fiscal Viability Related to Fundraising and Philanthropic Support*** – The school enjoys substantial parental support which translates into generous donations to the school. Most fundraising is performed by the school's Parent-Teacher Organization (PTO) through an annual auction and through advertising of the extra-curricular tax credit. While the support is much appreciated, the school does not rely on this revenue for its fiscal health. Should revenue decrease in this area, the school would decrease associated expenditures such as extra-curricular activities and other eligible activities as needed to balance its budget.