

**Avant Garde Academy K-8 Broward**  
A Department of Avant Garde Academy, Inc.  
(A Component Unit of the School  
Board of Broward County, Florida)

Basic Financial Statements  
and Additional Information  
For the Year Ended June 30, 2020

**Keefe  
McCullough**  
CPA's + Trusted Advisors

# Avant Garde Academy K-8 Broward

## Table of Contents

---

Independent Auditor's Report	1-2
Management's Discussion and Analysis (Not Covered by Independent Auditor's Report)	3-7
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet - Governmental Funds	10
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	13
Notes to Basic Financial Statements	14-22
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule - General Fund	23
Budgetary Comparison Schedule - Special Revenue Fund	24
<b>Other Independent Auditor's Reports</b>	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25-26
Independent Auditor's Report to the Board of Directors	27-28

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Avant Garde Academy K-8 Broward  
A Department of Avant Grade Academy, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Avant Garde Academy K-8 Broward (the "School"), a Department of Avant Garde Academy, Inc. and a component unit of the School Board of Broward County, Florida, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As discussed in Note 1, the financial statements of the School are intended to present the financial position and change in financial position of only that portion of the governmental activities, each major fund and the aggregate remaining fund information of Avant Garde Academy, Inc. that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Avant Garde Academy, Inc. as of June 30, 2020 and the changes in its financial position or budgetary comparisons, where applicable, for the year ended June 30, 2020 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the statements of revenues and expenditures – budget and actual – general fund and special revenue fund on pages 3 through 7 and 23 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2020, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the School's 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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
September 24, 2020

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Keefe  
McCullough  
CPA's + Trusted Advisors

As management of Avant Garde Academy K-8 Broward (the "School"), a Department of Avant Garde Academy, Inc. and a component unit of the School Board of Broward County, Florida (the "School Board"), we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2020 and certain comparative information for 2019.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the current position of the School's financial condition. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements.

### **Financial Highlights**

Our basic financial statements provide these insights into the results of this year's operations.

- As of June 30, 2020, the School's fund balances was \$ 385,077.
- As of June 30, 2020, the School had overall net position of \$ 1,030,258.

### **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 are comprised of three components: 1) government-wide basic financial statements, 2) fund basic financial statements, and 3) notes to the basic financial statements.

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

The statement of net position presents information on all of the School's assets, liabilities, and deferred inflows/outflows of resources, 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 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. uncollected revenues and services rendered but unpaid).

The government-wide financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instruction and instructional support services.

The government-wide basic financial statements can be found on pages 8 and 9 of this report.

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

The School maintains several individual governmental funds. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The General Fund, Special Revenue Fund and Capital Project Fund are considered to be the School's major funds.

The School adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 10 through 13 of this report.

**Notes to Basic Financial Statements:** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 through 22 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of June 30, 2020 and 2019:

**Avant Garde Academy K-8 Broward  
Management's Discussion and Analysis  
June 30, 2020**

---

Avant Garde Academy K-8 Broward  
Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Assets:		
Current and other assets	\$ 1,780,263	\$ 1,048,482
Capital assets, net of depreciation	<u>909,235</u>	<u>999,628</u>
Total assets	<u>2,689,498</u>	<u>2,048,110</u>
Liabilities:		
Current liabilities	1,519,702	1,442,392
Noncurrent liabilities	<u>139,538</u>	<u>177,424</u>
Total liabilities	<u>1,659,240</u>	<u>1,619,816</u>
Net Position:		
Net investment in capital assets	645,181	207,038
Unrestricted	<u>385,077</u>	<u>221,256</u>
Total net position	<u>\$ 1,030,258</u>	<u>\$ 428,294</u>

**Governmental Activities:** The results of this year's operations for the School as a whole are reported in the statement of activities on page 9. The table below provides a condensed presentation of the School's revenues and expenses for the years ended June 30, 2020 and 2019:

Avant Garde Academy K-8 Broward  
Change in Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Revenues:		
General revenues	\$ 8,402,423	\$ 9,398,534
Program revenues	<u>1,032,271</u>	<u>1,270,403</u>
Total revenues	<u>9,434,694</u>	<u>10,668,937</u>
Functions/Program Expenses:		
Instruction	4,594,636	5,274,212
Instructional support services	1,757,315	2,013,333
Operation of noninstructional services	<u>2,480,779</u>	<u>2,971,202</u>
Total expenses	<u>8,832,730</u>	<u>10,258,747</u>
Change in net position	<u>\$ 601,964</u>	<u>\$ 410,190</u>

General revenues mostly consist of the School's per pupil funding, as well as other income items. Program revenues mostly consist of Title 1 funds of \$ 341,340, National School Lunch Program revenues of \$ 147,927 and Capital Outlay Funding of \$ 519,596. Total expenses for the year are \$ 8,832,730 mainly consisting of instructional, fiscal services and rent expense.



**Governmental Fund Expenditures**

In the table below, we have presented the cost of the largest functions/programs as a percentage of total governmental expenditures:

Functions/Programs	2020		2019	
	Expenditures	Percent	Expenditures	Percent
Governmental expenditures:				
Instructional expenditures	\$ 4,062,237	43%	\$ 4,656,326	43%
Fiscal services	961,803	10%	1,233,818	11%
Facilities acquisition and construction	1,830,407	20%	2,144,788	19%
Plant operations and maintenance	535,393	6%	580,522	5%
Administrative services	699,051	7%	746,316	7%
All other functions/programs	<u>1,291,292</u>	<u>14%</u>	<u>1,659,020</u>	<u>15%</u>
Total governmental expenditures	<u>\$ 9,380,183</u>	<u>100%</u>	<u>\$ 11,020,790</u>	<u>100%</u>

**Capital Assets and Debt Administration**

**Capital assets:** At June 30, 2020, the School had capital assets of \$ 909,235 net of accumulated depreciation, invested in furniture, fixtures and equipment, books, computer equipment and improvements other than buildings as compared to \$ 999,628 at June 30, 2019.

**Debt:** At June 30, 2020, the School had outstanding debt of \$ 264,054, as compared to \$ 792,590 at June 30, 2019.

**General Fund Budgetary Highlights**

The final School enrollment was 100% of capacity, and due to a higher rate per student than budgeted had a favorable variance in state source revenues. The School received unbudgeted teacher lead revenues and best & brightest scholarship funds that also attributed to the favorable variance. The School had variances in expenditure lines, but overall had an unfavorable variance in total expenditures due to unbudgeted debt service expenditures. Overall, the School ended the year with a fund balance of \$ 385,077, which is an increase of \$ 163,821 over the prior fiscal year.

**Economic Factors and Next Year's Budget**

For fiscal year 2020-2021, expected enrollment will actually be increased from over 1,000 students K-5 from the prior year, to 1,050 students. This is representative of a strategic decision on the part of the school board to matriculate all middle and high school students to the co-located charter school: Avant Garde Academy of Broward, which in turn will have a requisite enrollment increase. As a function of the enrollment decrease, expected FEFP revenue will drop by approximately \$ 1.5 million, however expenses will also be reduced by a reciprocal amount and the overall K-12 program between the two co-located schools will have a net increase in students over the prior school year.

Capital outlay revenue was assumed at \$ 493 per student which includes the additional funds associated with House Bill 7055. The budgets reflect the Florida Education Finance Program funding increase of approximately 1%. An 6% increase for all staff was budgeted as a result of HBs 541 and 5001. All other expenditures are budgeted in alignment with enrollment changes and the School's strategic objectives.

**Requests for Information**

If you have questions about this report or need additional information, please contact the Director, Avant Garde Academy K-8 Broward, 2025 McKinley Avenue, Hollywood, FL 33020.

# BASIC FINANCIAL STATEMENTS

**Keefe  
McCullough**  
CPA's + Trusted Advisors

**Avant Garde Academy K-8 Broward**  
**Statement of Net Position**  
**June 30, 2020**

---

	<b>Governmental Activities</b>
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 1,692,568
Due from government agencies	35,395
Prepays	49,500
Deposits	<u>2,800</u>
Total current assets	<u>1,780,263</u>
<b>Noncurrent Assets:</b>	
Capital assets (depreciable), net of accumulated depreciation	<u>909,235</u>
Total assets	<u>2,689,498</u>
<b>Current Liabilities:</b>	
Accounts payable	534,587
Salaries and wages payable	860,599
Current portion of long-term debt	<u>124,516</u>
Total current liabilities	<u>1,519,702</u>
<b>Noncurrent Liabilities:</b>	
Notes payable	<u>139,538</u>
Total noncurrent liabilities	<u>139,538</u>
Total liabilities	<u>1,659,240</u>
<b>Net Position:</b>	
Net investment in capital assets	645,181
Unrestricted	<u>385,077</u>
Total net position	\$ <u><u>1,030,258</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Avant Garde Academy K-8 Broward**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Activities Net Revenue (Expense) and Change in Net Position</u>
<b>Functions/Programs:</b>					
Instruction	\$ 4,594,636	\$ -	\$ 344,207	\$ -	\$ (4,250,429)
Instructional support services	19,347	-	-	-	(19,347)
Board services	10,247	-	-	-	(10,247)
General administration -					
District administrative fee	91,303	-	-	-	(91,303)
Administrative services	607,748	-	-	-	(607,748)
Facilities acquisition and construction	1,369,054	-	-	519,596	(849,458)
Fiscal services	961,803	-	-	-	(961,803)
Food services	337,355	20,541	147,927	-	(168,887)
Central services	493	-	-	-	(493)
Student transportation	165,676	-	-	-	(165,676)
Operation of plant	403,864	-	-	-	(403,864)
Maintenance of plant	131,529	-	-	-	(131,529)
Interest expense	139,675	-	-	-	(139,675)
	<u>\$ 8,832,730</u>	<u>\$ 20,541</u>	<u>\$ 492,134</u>	<u>\$ 519,596</u>	<u>(7,800,459)</u>
Total governmental activities					
General revenues:					
Grants and entitlements					7,695,565
Miscellaneous					706,858
					<u>8,402,423</u>
Total general revenues					
					601,964
Change in net position					
					428,294
Net position, July 1, 2019					<u>428,294</u>
Net position, June 30, 2020					<u>\$ 1,030,258</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Avant Garde Academy K-8 Broward  
Balance Sheet - Governmental Funds  
June 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,692,568	\$ -	\$ -	\$ 1,692,568
Due from government agencies	-	-	35,395	35,395
Due from other funds	35,395	-	-	35,395
Prepays	49,500	-	-	49,500
Deposits	2,800	-	-	2,800
	<u>1,780,263</u>	<u>-</u>	<u>35,395</u>	<u>1,815,658</u>
Total assets	\$ <u>1,780,263</u>	\$ <u>-</u>	\$ <u>35,395</u>	\$ <u>1,815,658</u>
<b>Liabilities:</b>				
Accounts payable	\$ 534,587	\$ -	\$ -	\$ 534,587
Salaries and wages payable	860,599	-	-	860,599
Due to other funds	-	-	35,395	35,395
	<u>1,395,186</u>	<u>-</u>	<u>35,395</u>	<u>1,430,581</u>
Total liabilities	<u>1,395,186</u>	<u>-</u>	<u>35,395</u>	<u>1,430,581</u>
<b>Fund Balances:</b>				
Nonspendable:				
Prepays	49,500	-	-	49,500
Deposits	2,800	-	-	2,800
Unassigned	332,777	-	-	332,777
	<u>385,077</u>	<u>-</u>	<u>-</u>	<u>385,077</u>
Total fund balances	<u>385,077</u>	<u>-</u>	<u>-</u>	<u>385,077</u>
Total liabilities and fund balances	\$ <u>1,780,263</u>	\$ <u>-</u>	\$ <u>35,395</u>	\$ <u>1,815,658</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Avant Garde Academy K-8 Broward  
 Reconciliation of the Balance Sheet of the Governmental Funds  
 to the Statement of Net Position  
 June 30, 2020**

---

**Total Fund Balances - Governmental Funds** \$ 385,077

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

The cost of capital assets acquired is reported as an expenditure in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation, among the assets of the School as a whole.

Cost of capital assets	\$	3,789,895	
Accumulated depreciation		<u>(2,880,660)</u>	909,235

Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities both current and long-term, are reported in the government-wide statements.

Notes payable			<u>(264,054)</u>
---------------	--	--	------------------

**Net Position of Governmental Activities** \$ 1,030,258

The accompanying notes to basic financial statements are an integral part of these statements.

**Avant Garde Academy K-8 Broward  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
<b>Revenues:</b>				
Federal through state	\$ -	\$ 492,134	\$ -	\$ 492,134
State sources	7,695,565	-	519,596	8,215,161
Local sources	<u>706,858</u>	<u>20,541</u>	<u>-</u>	<u>727,399</u>
Total revenues	<u>8,402,423</u>	<u>512,675</u>	<u>519,596</u>	<u>9,434,694</u>
<b>Expenditures:</b>				
Instruction	3,698,683	344,207	-	4,042,890
Instructional support services	19,347	-	-	19,347
Board services	10,247	-	-	10,247
General administration - District administrative fee	91,303	-	-	91,303
Administrative services	607,748	-	-	607,748
Facilities acquisition and construction	1,310,811	-	519,596	1,830,407
Fiscal services	961,803	-	-	961,803
Food services	168,887	168,468	-	337,355
Central services	493	-	-	493
Student transportation	165,676	-	-	165,676
Operation of plant	403,864	-	-	403,864
Maintenance of plant	131,529	-	-	131,529
Debt service: Principal	637,846	-	-	637,846
Interest	<u>139,675</u>	<u>-</u>	<u>-</u>	<u>139,675</u>
Total expenditures	<u>8,347,912</u>	<u>512,675</u>	<u>519,596</u>	<u>9,380,183</u>
Excess of revenues over expenditures	54,511	-	-	54,511
<b>Other Financing Sources:</b>				
Proceeds from note payable	<u>109,310</u>	<u>-</u>	<u>-</u>	<u>109,310</u>
Net change in fund balances	163,821	-	-	163,821
<b>Fund Balances, July 1, 2019</b>	<u>221,256</u>	<u>-</u>	<u>-</u>	<u>221,256</u>
<b>Fund Balances, June 30, 2020</b>	<u>\$ 385,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385,077</u>

The accompanying notes to basic financial statements are an integral part of these statements.



**Avant Garde Academy K-8 Broward  
 Reconciliation of the Statement of Revenues,  
 Expenditures, and Changes in Fund Balances of the  
 Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2020**

---

**Net Change in Fund Balances - Governmental Funds** \$ 163,821

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as a provision for depreciation.

Cost of capital assets	\$	478,695	
Provision for depreciation		<u>(569,088)</u>	(90,393)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Proceeds from note payable			(109,310)
----------------------------	--	--	-----------

Principal payments on long-term debt are reported as expenditures in governmental funds, but as a reduction of long-term liabilities in the statement of net position.

			<u>637,846</u>
--	--	--	----------------

**Change in Net Position of Governmental Activities** \$ 601,964

The accompanying notes to basic financial statements are an integral part of these statements.

### **Note 1 - Organization and Operations**

Avant Garde Academy K-8 Broward (the "School"), a Department of Avant Garde Academy, Inc. (the "Academy") and a component unit of the School Board of Broward County, Florida, was established in 2015 as a public charter school to serve students from kindergarten to eighth grade in Broward County. The Academy is a Florida nonprofit corporation organized pursuant to Chapter 617, Florida Statutes and the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members. There were an average of 1,030 students enrolled for the 2019/2020 school year.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of the Academy as of June 30, 2020, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Accordingly, these basic financial statements only include balances, activity and disclosures related to the School.

### **Note 2 - Summary of Significant Accounting Policies**

**Reporting entity:** The School operates under a charter granted by the sponsoring School Board of Broward County (the "School Board"). The current charter was effective until June 30, 2020 and may be renewed by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter in which case the School Board is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The School is considered a component unit of the School Board of Broward County.

Effective July 1, 2020, the charter was renewed through June 30, 2025. In addition, the School will now serve students from kindergarten to fifth grade. As a result, the School will change its name to Avant Garde Academy K-5 Broward. Further, as of July 1, 2020, the School will become a department of Avant Garde Academy Foundation Inc. and no longer be a department of the Academy.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the basic financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable which would require inclusion in the School's basic financial statements.

**Basis of presentation:** Based on the guidance presented in the American Institute of Certified Public Accountants Audit and Accounting Guide - Not-for-Profit Organizations and provisions of Section 228.056, Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

**Government-wide financial statements:** Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

**Note 2 - Summary of Significant Accounting Policies (continued)**

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

**Fund financial statements:** Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School's major governmental funds are as follows:

**General Fund** - This fund is used to account for all operating activities of the School except for those required to be accounted for in another fund.

**Special Revenue Fund** - This fund is used to account for federal grants and certain state grants that are legally restricted to expenditures for particular purposes.

**Capital Project Fund** - This fund is used to account for the acquisition of capital assets and related expenditures with restricted capital outlay funds.

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

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within sixty days of the end of the current period. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Cash and cash equivalents:** The School considers all demand accounts and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents. The School maintains its cash accounts at two financial institutions. The School's accounts at these institutions, at times, may exceed the federally insured limit. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk (Note 3).

**Prepaid items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**Due to and due from other funds:** Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

**Revenue recognition:** Student funding is provided by the State of Florida through the School Board. Such funding is recorded as entitlement revenue in the government-wide financial statements and state source revenue in the fund financial statements. This funding is received on a prorata basis over the ten-month period the School is in session and is adjusted for changes in full-time equivalent (FTE) student population.

**Capital assets:** Property and equipment purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost of \$ 750 and useful life of over one year. Donated property and equipment are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related fixed assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Furniture, fixtures and equipment	3-5 years
Books	3 years
Computer equipment	3 years
Improvements other than building	5 years

**Deferred outflows/inflows of resources:** In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Net position:** Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of borrowings used for the acquisition, construction or improvement of those assets.
- Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted (deficit) - indicates that portion of net position that will need to be funded by future operations.

**Fund balance:** The governmental fund financial statements present fund balances based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental fund financial statements:

- Nonspendable - this classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies inventories, prepaid items, long-term notes receivable and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted - this classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.
- Committed - this classification includes amounts that can be used for specific purposes voted on through formal action of the Board of Directors (the highest level of decision making authority). The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.
- Assigned - this classification includes amounts that the Board of Directors intends to use for a specific purpose but they are neither restricted nor committed. The School classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.
- Unassigned - this classification includes amounts that have not been restricted, committed or assigned for a specific purpose within the General Fund.

The details of the fund balances are included in the Governmental Fund Balance Sheet on page 10.

**Note 2 - Summary of Significant Accounting Policies (continued)**

When the School incurs expenditures for which restricted or unrestricted fund balance is available, the School would consider restricted funds to be spent first. When the School has expenditures for which committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

**Income taxes:** The School is a division of a nonprofit corporation. Revenue of the School is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements.

**Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Budget:** An operating budget is adopted and maintained by the governing board for the School pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the basic financial statements.

**Date of management review:** Subsequent events were evaluated by management through September 24, 2020, which is the date the financial statements were available to be issued.

**Note 3 - Cash and Cash Equivalents**

At June 30, 2020, the carrying amount of the deposits and cash on hand totaled \$ 1,692,568, with bank balances of \$ 1,736,213.

State statutes require, and it is the School's policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as "qualified public depositories" as defined by Chapter 280 of the Florida Statutes. This Statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and the reporting requirements of the qualified public depositor to the Treasurer is defined by statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School's deposits are held in a qualified public depository and are covered by the collateral pool because the School has identified itself as a public entity.

**Note 4 - Due from Government Agencies**

Due from government agencies at June 30, 2020 consists of amounts due from the District for capital outlay.

**Note 5 - Capital Assets**

Capital asset balances and activity for the year ended June 30, 2020 are as follows:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Capital assets, depreciable:				
Furniture, fixtures and equipment	\$ 2,460,828	\$ 112,424	\$ -	\$ 2,573,252
Books	511,546	260,713	-	772,259
Computer equipment	315,758	15,500	-	331,258
Improvements other than building	23,068	90,058	-	113,126
	<u>3,311,200</u>	<u>478,695</u>	<u>-</u>	<u>3,789,895</u>
Total capital assets, depreciable				
Accumulated depreciation:				
Furniture, fixtures and equipment	1,810,781	289,783	-	2,100,564
Books	362,923	161,028	-	523,951
Computer equipment	124,353	100,935	-	225,288
Improvements other than building	13,515	17,342	-	30,857
	<u>2,311,572</u>	<u>569,088</u>	<u>-</u>	<u>2,880,660</u>
Total accumulated depreciation				
Net capital assets	\$ <u>999,628</u>	\$ <u>(90,393)</u>	\$ <u>-</u>	\$ <u>909,235</u>

Provision for depreciation was charged to governmental activities as follows:

Instruction	\$ 551,746
Facilities acquisition and construction	<u>17,342</u>
	<u>\$ 569,088</u>

**Note 6 - Long-Term Liabilities**

The School previously entered into a promissory note payable for \$ 1,104,000 for the funding of equipment and materials purchased to operate the School. Principal and interest at a fixed rate of 14.00% were payable in monthly installments of \$ 41,612 through December 2019. This note was paid in full during the year ended June 30, 2020.

The School previously entered into a note payable in the amount of \$ 663,944. Principal and interest at a fixed rate of 8.00% are payable in monthly installments of \$ 20,668 through September 2020. The outstanding balance at June 30, 2020 was \$ 38,506.

The School previously entered into a note payable in the amount of \$ 246,825. Principal and interest at a fixed rate of 8.00% are payable in monthly installments of \$ 7,683 through October 2021. The outstanding balance at June 30, 2020 was \$ 116,238.

**Note 6 - Long-Term Liabilities (continued)**

On May 4, 2020, the School executed a promissory note for \$ 109,310 under the Paycheck Protection Program (“PPP”) authorized by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The loan bears interest rate at 1.00% per annum. Under the PPP, loan funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent, and utility costs and if the School maintains certain employment levels during a specified period of time. If the Small Business Administration (“SBA”) confirms full forgiveness of the unpaid balance of the note, the School’s obligation under this arrangement will be deemed fully satisfied. The School remains obligated to repay to the lender any amount not forgiven, which will mature on the 2<sup>nd</sup> anniversary of the note. Principal and interest payments are deferred until the lender receives a forgiveness determination from SBA. If the School does not apply for forgiveness within 10 months after the last day of their covered period, as applicable, it would be required to make payments on the PPP loan beginning 10 months after the last day of such covered period. At such time, the bank will establish the amount of monthly payments due (principal and interest) based on the remaining time up until its maturity. As of June 30, 2020, the outstanding principal amount of the note payable was \$ 109,310.

Approximate future minimum principal payments at June 30, 2020 are as follows:

Year Ending June 30,	Principal
2021	\$ 124,500
2022	139,600
Thereafter	-
	<u>\$ 264,100</u>

Changes in the School’s long-term liabilities for the fiscal year ended June 30, 2020, are as follows:

	Balance at July 1, 2019	Additions	Retirements	Balance at June 30, 2020	Amount Due Within One Year
Notes payable	\$ 792,590	\$ -	\$ 637,846	\$ 154,744	\$ 124,516
PPP Loan	-	109,310	-	109,310	-
	<u>\$ 792,590</u>	<u>\$ 109,310</u>	<u>\$ 637,846</u>	<u>\$ 264,054</u>	<u>\$ 124,516</u>

**Note 7 - Related Party**

The School shares the same physical location with Avant Garde Academy of Broward (“AGAB”) (Note 10), as they share common board membership and are departments of the Academy. The schools share common expenditures, of which have been allocated between the Schools based on student enrollment. As a result, at June 30, 2020, the School had a balance due to AGAB of \$ 597,459. This amount was forgiven and is included within the local and other revenue in the statement of activities and statement of revenues, expenditures and changes in fund balance - governmental funds.



**Note 8 - Operating Agreement**

The School previously entered into a contract for the period March 2015 to June 30, 2030 with LBS Services, Inc. ("LBS") and Alliance Education Services, Inc. ("Alliance"). The contract calls for LBS and Alliance to provide the School with general management of the day-to-day educational and operational aspects of the School. An annual fee of 11% (5.5% to each company) of the total revenues is to be paid in monthly installments. The total amount incurred during the year ended June 30, 2020, relating to these contracts were approximately \$ 962,000. At June 30, 2020, the School had a balance due to LBS and Alliance amounting to approximately \$ 495,000.

**Note 9 - Schedule of State Revenue Sources**

The following is a schedule of the School's state revenue for the year ended June 30, 2020:

Florida Education Finance Program	\$ 4,917,285
Class size reduction	1,354,724
Discretionary local effort	597,956
Capital outlay	519,596
Supplementary academic instruction	227,879
ESE guarantee	137,985
Best and brightest scholarship program	101,163
Instructional materials	76,723
Transportation	68,870
Safe schools	61,713
Security grant	54,600
Reading allocation	45,015
Mental health	25,083
Teacher lead program	15,704
Compression allocation	8,151
Digital classroom allocation	1,646
Discretionary lottery	<u>1,068</u>
	<u>\$ 8,215,161</u>

**Note 10 - Facility Lease**

The School previously entered into a lease agreement for its educational facility through July 31, 2040. The facility will be used for the operation of the School, as well as AGAB (Note 6). The Schools portion of rental expenditures under this lease agreement for the year ended June 30, 2020 was approximately \$ 1,352,000.

**Note 10 - Facility Lease (continued)**

The total approximate future minimum payments for the years ended June 30, are as follows:

Year Ending June 30,	Facilities
2021	\$ 1,461,300
2022	1,520,800
2023	1,612,100
2024	1,619,900
2025	1,619,900
2026-2030	8,099,600
2031-2035	8,099,600
2036-2040	8,099,600
2041	135,000
	<u>\$ 32,267,800</u>

**Note 11 - Pension Plan**

The School participates in a defined contribution tax sheltered annuity 403(b) plan for participating employees. Contributions made by the School totaled \$ 51,274 for the year ended June 30, 2020, which were computed at 3% of employee compensation for each participating employee. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The rate of contribution is set annually by the School's Board of Directors.

**Note 12 - Risk Management**

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets and natural disasters. The School has obtained property insurance from commercial companies including, but not limited to, general liability and errors and omissions insurance. There have been no claims in excess of insurance coverage limits during the past year and settlement amounts have not exceeded insurance coverage for the current year or three prior years.

**Note 13 - Risks and Uncertainties**

In March 2020, the *World Health Organization* declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, the local and global financial markets are experiencing significant declines and creating economic uncertainties. At this time, it is unknown precisely how this negative outlook will impact the School's financial statements in the future. No adjustments have been made to the accompanying financial statements as a result of the current events.

# REQUIRED SUPPLEMENTARY INFORMATION

**Keefe  
McCullough**  
CPA's + Trusted Advisors

**Avant Garde Academy K-8 Broward  
 Budgetary Comparison Schedule - General Fund  
 For the Year Ended June 30, 2020**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
State sources	\$ 7,572,960	\$ 7,695,565	\$ 122,605
Local sources	168,500	706,858	538,358
Total revenues	<u>7,741,460</u>	<u>8,402,423</u>	<u>660,963</u>
<b>Expenditures:</b>			
Instruction	3,461,867	3,698,683	(236,816)
Instructional support services	18,425	19,347	(922)
Board services	-	10,247	(10,247)
General administration - District administrative fee	94,558	91,303	3,255
Administrative services	760,361	607,748	152,613
Facilities acquisition and construction	974,567	1,310,811	(336,244)
Fiscal services	1,110,001	961,803	148,198
Food services	358	168,887	(168,529)
Central services	790	493	297
Student transportation	240,000	165,676	74,324
Operation of plant	300,266	403,864	(103,598)
Maintenance of plant	39,500	131,529	(92,029)
Technology services	13,200	-	13,200
Debt service:			
Principal	-	637,846	(637,846)
Interest	-	139,675	(139,675)
Total expenditures	<u>7,013,893</u>	<u>8,347,912</u>	<u>(1,334,019)</u>
Excess of revenues over expenditures	727,567	54,511	(673,056)
<b>Other Financing Sources:</b>			
Proceeds from note payable	<u>-</u>	<u>109,310</u>	<u>109,310</u>
Net change in fund balance	<u>\$ 727,567</u>	<u>\$ 163,821</u>	<u>\$ (563,746)</u>

**Avant Garde Academy K-8 Broward  
 Budgetary Comparison Schedule- Special Revenue Fund  
 For the Year Ended June 30, 2020**

---

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Federal through state	\$ 561,000	\$ 492,134	\$ (68,866)
Local sources	<u>-</u>	<u>20,541</u>	<u>20,541</u>
Total revenues	<u>561,000</u>	<u>512,675</u>	<u>(48,325)</u>
<b>Expenditures:</b>			
Instruction	349,000	344,207	4,793
Food services	<u>212,000</u>	<u>168,468</u>	<u>43,532</u>
Total expenditures	<u>561,000</u>	<u>512,675</u>	<u>48,325</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INDEPENDENT  
AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Avant Garde Academy K-8 Broward  
A Department of Avant Grade Academy, Inc.

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, each major fund, and the aggregate remaining fund information of Avant Garde Academy K-8 Broward (the "School"), a Department of Avant Grade Academy, Inc. and a component unit of the School Board of Broward County, Florida, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 24, 2020.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
September 24, 2020



## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors  
Avant Garde Academy K-8 Broward  
A Department of Avant Grade Academy, Inc.

### Report on the Financial Statements

We have audited the financial statements of Avant Garde Academy K-8 Broward (the "School"), a Department of Avant Grade Academy, Inc. and a component unit of the School Board of Broward County, Florida, as of and for the year ended June 30, 2020, and have issued our report thereon dated September 24, 2020.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.850, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 24, 2020, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding audit report.

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Avant Garde Academy K-8 Broward and 065015.

### **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

### **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
September 24, 2020