



Franklin Academy Pembroke Pines  
(A charter school under Franklin Academy Foundation, Inc. and Subsidiary)  
WL# 5012  
**(A Charter School and Component Unit  
of the School Board of Broward County, Florida)**

Pembroke Pines, Florida

Financial Statements and  
Independent Auditors' Report

June 30, 2021

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Franklin Academy Pembroke Pines  
(A charter school under Franklin Academy Foundation, Inc. and Subsidiary)  
WL# 5012  
18800 Pines Boulevard  
Pembroke Pines, FL 33029

2020-2021

BOARD OF DIRECTORS

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Alexandra Kruse  
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SCHOOL ADMINISTRATION

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OTHER CORPORATE OFFICERS

Scott E. Sznitken, Executive Director



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Franklin Academy Pembroke Pines  
Pembroke Pines, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Academy Pembroke Pines (the "School"), a charter school under Franklin Academy Foundation, Inc. and Subsidiary, which is a component unit of the District School Board of Broward County, as of, and for the year ended June 30, 2021, 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 of America. 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, each major fund, and the aggregate remaining fund information of Franklin Academy Pembroke Pines as of June 30, 2021, 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.

## **Other Matters**

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Franklin Academy Pembroke Pines as of June 30, 2021, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of Franklin Academy Foundation, Inc. and Subsidiary. These financial statements do not purport to and do not present fairly the financial position of Franklin Academy Foundation, Inc. and Subsidiary as of June 30, 2021 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *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 through 8 and 26 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 28, 2021 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, 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 the 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 28, 2021

**Management's Discussion and Analysis**  
Franklin Academy Pembroke Pines  
(A Charter School Under Franklin Academy Foundation, Inc. and Subsidiary)  
June 30, 2021

The corporate officers of Franklin Academy Pembroke Pines have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2021.

**Financial Highlights**

1. The net position of the School as of June 30, 2021 was \$4,558,322.
2. At year-end, the School had current assets on hand of \$2,381,173.
3. The net position of the School increased by \$1,095,485 during the year.
4. The unassigned fund balance at year end was \$1,562,031.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2021 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

*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, deferred out flows of resources, liabilities, and deferred in flows of resources. The difference between the four is reported as *net position*. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 9 - 10 of this report.

*Fund Financial Statements*

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 11 - 14 of this report.

#### *Notes to Financial Statements*

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

The notes to the financial statements can be found on pages 15-25 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position was \$4,558,322 at the close of the fiscal year. As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. A summary of the School's net position as of June 30, 2021 and 2020 is as follows:

	2021	2020
Cash	\$ 2,312,215	\$ 1,299,849
Due from other agencies	68,958	56,463
Receivables from Franklin Academy Foundation, Inc.	2,272,650	2,260,085
Capital assets, net	723,641	637,365
<b>Total Assets</b>	<b>5,377,464</b>	<b>4,253,762</b>
<b>Deferred outflows of resources</b>	<b>-</b>	<b>-</b>
Salaries and wages payable	664,360	605,857
Accounts payable and accrued expenses	154,782	185,068
<b>Total Liabilities</b>	<b>819,142</b>	<b>790,925</b>
<b>Deferred inflows of resources</b>	<b>-</b>	<b>-</b>
<b>Net Position:</b>		
Net investment in capital assets and long term receivables	2,996,291	2,897,450
Unrestricted	1,562,031	565,387
<b>Total Net Position</b>	<b>\$ 4,558,322</b>	<b>\$ 3,462,837</b>

At the end of the year, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Program Revenues		
Capital grants and contributions	\$ 912,975	\$ 863,452
State passed through local	54,600	54,600
Federal sources	323,601	-
Federal lunch program	306,633	166,133
Student lunch fees	2,094	254,837
Charges for Services	18,049	264,058
General Revenues		
Local source (FTE and other non specific)	10,041,857	9,964,289
Other revenues	29,376	95,357
<b>Total Revenues</b>	<u>\$ 11,689,185</u>	<u>\$ 11,662,726</u>
<b>EXPENSES</b>		
Component Unit Activities:		
Instruction	\$ 5,600,457	\$ 5,685,259
Student support services	203,244	92,406
Curriculum development	21,689	237,554
General administration	106,376	83,450
School administration	835,495	853,494
Fiscal services	839,666	843,010
Food services	308,355	421,069
Pupil transportation services	168	315,484
Operation of plant	2,185,034	2,402,294
Maintenance of plant	248,110	231,003
Unallocated depreciation	245,106	214,587
<b>Total Expenses</b>	<u>10,593,700</u>	<u>11,379,610</u>
Increase in Net Position	1,095,485	283,116
Net Position at Beginning of Year	<u>3,462,837</u>	<u>3,179,721</u>
Net Position at End of Year	<u>\$ 4,558,322</u>	<u>\$ 3,462,837</u>

The School's revenues increased by \$26,459 and expenses decreased by \$785,910, in the current year. The School had an increase in its net position of \$1,095,485 for the year.

#### **School Location and Lease of Facility**

The School leases a facility located at 18800 Pines Boulevard, Pembroke Pines, FL 33029

#### **Capital Improvement Requirements**

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

#### **School Enrollment**

This past year, the School had approximately 1,393 students enrolled in kindergarten through eighth grade.



## **Accomplishments**

Franklin Academy - Pembroke Pines began the 2020-2021 school year in August reporting a total enrollment of 1,388 students in grades Kindergarten through eighth and the designation from the Florida Department of Education as a School of Excellence and a High Performing Charter School.

Franklin Academy continued to monitor growth and progression in student learning as indicated across our various school-wide assessment platforms such as i-Ready and USA Test Prep, which are both designed and used to monitor student progress and determine grade-level mastery of grade level standards.

The middle school at Franklin Academy - Pembroke Pines continued to embody the values and initiatives set forth by the International Baccalaureate (IB) program as we maintained our status as an IB World School for the Middle Years Programme.

School-based organizations such as Student Council and International Baccalaureate (IB) Ambassadors continued while meeting virtually and adapting various service-oriented goals and school-wide initiatives to meet the unique needs of the school year.

Our school's nationally recognized honor societies also expanded with new members receiving the honor of being inducted into the Franklin Academy - Pembroke Pines Chapter of the National Junior Honor Society as well as the Franklin Academy - Pembroke Pines Chapter of the National Junior Art Honor Society.

As the year progressed, school-wide events and activities were adapted to meet the needs of our families and maintain the health and safety of all stakeholders while continuing to collaborate and celebrate the family spirit at Franklin Academy.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

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

### **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, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported an ending fund balance of \$1,562,031. The fund balance unassigned and available for spending at the School's discretion is a balance of \$1,562,031.

**Capital Assets**

The School's investment in capital assets as of June 30, 2021 amounts to \$723,641 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and computer equipment. The school has no outstanding debt associated to capital assets.

**Governmental Fund Budget Analysis and Highlights**

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Program Revenues			
Capital grants and contributions	\$ 700,740	\$ 912,975	\$ 912,975
State passed through local	55,000	54,600	54,600
Federal sources	-	323,601	323,601
Federal lunch program	565,000	306,633	306,633
Student lunch fees	-	2,094	2,094
General Revenues			
FTE and other nonspecific revenues	10,778,736	10,041,857	10,041,857
Charges and other revenues	27,000	47,425	47,425
Total Revenues	<u>12,126,476</u>	<u>11,689,185</u>	<u>11,689,185</u>
<b>CURRENT EXPENDITURES</b>			
Component Unit Activities			
Instruction	6,133,824	5,655,057	5,600,457
Student support services	260,865	203,244	203,244
Curriculum development	13,500	21,689	21,689
General administration	34,880	106,376	106,376
School administration	891,366	835,495	835,495
Fiscal services	832,400	839,666	839,666
Food services	565,000	308,355	308,355
Pupil transportation services	385,840	168	168
Operation of plant	2,485,702	2,130,434	2,185,034
Maintenance of plant	185,000	248,110	248,110
Total Current Expenditures	<u>\$ 11,788,377</u>	<u>\$ 10,348,594</u>	<u>\$ 10,348,594</u>

**Requests for Information**

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Elena Diaz, 18800 Pines Boulevard, Pembroke Pines, Florida, 33029.

Franklin Academy Pembroke Pines  
(A charter school under Franklin Academy Foundation, Inc.)

Statement of Net Position  
June 30, 2021

	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Current assets:	
Cash	\$ 2,312,215
Due from other agencies	68,958
Total Current Assets	<u>2,381,173</u>
Capital assets, depreciable	3,016,203
Less: accumulated depreciation	<u>(2,292,562)</u>
	<u>723,641</u>
Receivables from Franklin Academy Foundation, Inc.	<u>2,272,650</u>
Total Assets	<u>5,377,464</u>
<b><u>Deferred Outflows of Resources</u></b>	
	<u>-</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Salaries and wages payable	664,360
Accounts payable and accrued expenses	<u>154,782</u>
Total Liabilities	819,142
<b><u>Deferred Inflows of Resources</u></b>	
	<u>-</u>
<b><u>Net Position</u></b>	
Net investment in capital assets and long term receivables	2,996,291
Unrestricted	<u>1,562,031</u>
Total Net Position	<u>\$ 4,558,322</u>

The accompanying notes are an integral part of this financial statement.

Franklin Academy Pembroke Pines  
(A charter school under Franklin Academy Foundation, Inc.)

Statement of Activities  
For the year ended June 30, 2021

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 5,600,457	\$ -	\$ 323,601	\$ -	\$ (5,276,856)
Student support services	203,244	-	-	-	(203,244)
Curriculum development	21,689	18,049	-	-	(3,640)
General administration	106,376	-	-	-	(106,376)
School administration	835,495	-	-	-	(835,495)
Fiscal services	839,666	-	-	-	(839,666)
Food services	308,355	2,094	306,633	-	372
Pupil transportation services	168	-	-	-	(168)
Operation of plant	2,185,034	-	54,600	912,975	(1,217,459)
Maintenance of plant	248,110	-	-	-	(248,110)
Unallocated depreciation	245,106	-	-	-	(245,106)
<b>Total governmental activities</b>	<b>10,593,700</b>	<b>20,143</b>	<b>684,834</b>	<b>912,975</b>	<b>(8,975,748)</b>
General revenues:					
FTE and other nonspecific revenues					10,041,857
Interest and other revenue					29,376
Change in net position					1,095,485
Net position, beginning					3,462,837
Net position, ending					<u>\$ 4,558,322</u>

The accompanying notes are an integral part of this financial statement.

Franklin Academy Pembroke Pines  
(A charter school under Franklin Academy Foundation, Inc.)

Balance Sheet - Governmental Funds  
June 30, 2021

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>			
Cash	\$ 2,312,215	\$ -	\$ 2,312,215
Due from other agencies-capital outlay	-	68,958	68,958
Due from fund	68,958	-	68,958
Total Assets	<u>2,381,173</u>	<u>68,958</u>	<u>2,450,131</u>
<b><u>Deferred Outflows of Resources</u></b>			
	-	-	-
<b><u>Liabilities</u></b>			
Salaries and wages payable	664,360	-	664,360
Accounts payable and accrued expenses	154,782	-	154,782
Due to fund	-	68,958	68,958
Total Liabilities	<u>819,142</u>	<u>68,958</u>	<u>888,100</u>
<b><u>Deferred Inflows of Resources</u></b>			
	-	-	-
<b><u>Fund balance</u></b>			
Unassigned	1,562,031	-	1,562,031
	<u>1,562,031</u>	<u>-</u>	<u>1,562,031</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,381,173</u>	<u>\$ 68,958</u>	<u>\$ 2,450,131</u>

The accompanying notes are an integral part of this financial statement.

Franklin Academy Pembroke Pines  
(A charter school under Franklin Academy Foundation, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
For the year ended June 30, 2021

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Total Fund Balance - Governmental Funds \$ 1,562,031

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

Capital assets of \$3,016,203 net of accumulated depreciation of \$2,292,562 used in governmental activities are not financial resources and therefore are not reported in the fund. 723,641

Long-term receivables is an expenditure in the governmental funds, but long term assets in the statement of net position. This is the amount of long-term receivables. 2,272,650

Total Net Position - Governmental Activities \$ 4,558,322

The accompanying notes are an integral part of this financial statement.

Franklin Academy Pembroke Pines  
(A charter school under Franklin Academy Foundation, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
For the year ended June 30, 2021

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
State capital outlay funding	\$ -	\$ 912,975	\$ 912,975
State passed through local	10,041,857	54,600	10,096,457
Federal sources	-	323,601	323,601
Federal lunch program	-	306,633	306,633
Student lunch fees	-	2,094	2,094
Interest and other revenue	47,425	-	47,425
Total Revenues	<u>10,089,282</u>	<u>1,599,903</u>	<u>11,689,185</u>
<b>Expenditures:</b>			
<b>Current</b>			
Instruction	5,548,672	51,785	5,600,457
Student support services	203,244	-	203,244
Curriculum development	21,689	-	21,689
General administration	106,376	-	106,376
School administration	835,495	-	835,495
Fiscal services	839,666	-	839,666
Food services	-	308,355	308,355
Pupil transportation services	168	-	168
Operation of plant	1,217,459	967,575	2,185,034
Maintenance of plant	248,110	-	248,110
<b>Capital Outlay:</b>			
Other capital outlay	59,566	271,816	331,382
Total Expenditures	<u>9,080,445</u>	<u>1,599,531</u>	<u>10,679,976</u>
Excess (Deficit) of revenues over expenditures	1,008,837	372	1,009,209
<b>Other financing sources (uses)</b>			
Transfers in (out)-lunch	372	(372)	-
Advances to charter holder	(12,565)	-	(12,565)
Net change in fund balance	996,644	-	996,644
Fund Balance at beginning of year	565,387	-	565,387
Fund Balance at end of year	<u>\$ 1,562,031</u>	<u>\$ -</u>	<u>\$ 1,562,031</u>

The accompanying notes are an integral part of this financial statement.

Franklin Academy Pembroke Pines  
(A charter school under Franklin Academy Foundation, Inc.)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities

For the year ended June 30, 2021

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Net Change in Fund Balance - Governmental Funds \$ 996,644

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, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$331,382 differed from depreciation expense of \$245,106. 86,276

The long-term note receivable from the charter holder is a current expenditure on the governmental funds, but such increases long-term assets in the statement of net position. This is the amount by which advances of \$12,565 exceeded collections of \$0. 12,565

Change in Net Position of Governmental Activities \$ 1,095,485

The accompanying notes are an integral part of this financial statement.



## **Note 1 – Summary of Significant Accounting Policies**

### Reporting Entity

Franklin Academy Pembroke Pines (the "School"), is a component unit of the School Board of Broward County, Florida (the "District"). The School's charter is held by Franklin Academy Foundation, Inc. and Subsidiary, a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of Franklin Academy Foundation, Inc. and Subsidiary, which is composed of five members and also governs other charter schools.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Broward County, Florida. The current charter expires on June 30, 2031 and is renewable for an additional term pursuant to law and/or by a mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under the grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may terminate the charter if good cause is shown.

The School's location is in Pembroke Pines, Florida for students from kindergarten through eighth grade and is funded by the District. These financial statements are for the year ended June 30, 2021, when approximately 1,393 students were enrolled for the school year.

### Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statement include both government wide and fund financial statements.

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of 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 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 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 1 – Summary of Significant Accounting Policies (continued)**

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay.

In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other miscellaneous sources.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, and liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds with all non-major funds aggregated in a single column:

*General Fund* - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

**Note 1 – Summary of Significant Accounting Policies (continued)**

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. “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 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Cash

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less.

Inter-fund Transfers

Inter-fund receivables/payable (“due from/to”) are short-term balance that represent reimbursement between funds for payment made by one fund on behalf of another fund.

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Capital Assets

The School’s property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$500 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in government wide financial statements. Proceeds received from the sale of or disposal of capital assets are recorded as other financing sources in the fund financial statements. Estimated useful lives, in years, for depreciable assets are as follows:

Building and Improvements	15 Years
Furniture, Equipment and Software	5-7 Years
Textbooks	3 Years

**Note 1 – Summary of Significant Accounting Policies (continued)**

Compensated Absences

For all full-time, regular, 10-month employees (meaning employees whose position requires them to work only during the academic school year, approximately 10 months of the year), PTO is accrued at the rate of 8 hours per month. Each fiscal year (July 1 through June 30), 10-month employees are eligible to earn up to a maximum of 80 hours of PTO. At the end of a fiscal year, exempt 10-month employees are eligible for PTO buyback for up to five (5) days of accrued but unused PTO. PTO buyback is at the substitute teacher rate in effect at the time of the buyback.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for sick days available to be used in future benefits years.

The School also provides certain days to be used for specific personal matter such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Revenue Sources

Revenues for current operations are received primarily from the State through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

In addition, the School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement ad valorem tax revenue levied by the District.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Net position and Fund balance classifications

*Government-wide financial statements*

Equity is classified as net position and displayed in three (3) components:

- a) Net investment in capital assets and long term receivables - consists of long term receivables and capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- c) Unrestricted net position - all other net position that do not meet the definition of "restricted" or net investment in capital assets and long term receivables.

When both restricted and unrestricted resources are available for a specific purpose, it is the District's policy to use restricted resources first, until exhausted, before using unrestricted resources.

*Fund financial statements*

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories, and prepaid expenses.
- b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted fund balance of the School relate to reserves required by the landlord for property maintenance and repairs. There are no restricted balances at year end.

**Note 1 – Summary of Significant Accounting Policies (continued)**

- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Income Taxes

Franklin Academy Foundation, Inc. and Subsidiary qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Standard Adopted

In fiscal year 2021, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: Statement No. 84 *Fiduciary Activities*.

Pronouncements Issued But Not Yet Effective

GASB has issued GASB Statement No. 87 *Leases*, effective fiscal year 2022, that will affect the future financial position, results of operations, or financial presentation of the School upon implementation. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 28, 2021, which is the date the financial statements were available to be issued.

Franklin Academy Pembroke Pines  
(A charter school under Franklin Academy Foundation, Inc. and Subsidiary)  
Notes to Financial Statements  
June 30, 2021

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**Note 2 – Capital Assets**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the period ended June 30, 2021:

	Balance 07/01/20	Additions	Retirements	Balance 06/30/21
Capital Assets:				
Computer equipment	\$ 776,950	\$ 257,095	\$ -	\$ 1,034,045
Building and Improvements	188,407	6,000	-	194,407
Furniture, equipment and textbooks	1,719,464	68,287	-	1,787,751
Total Capital Assets	<u>2,684,821</u>	<u>331,382</u>	<u>-</u>	<u>3,016,203</u>
Less Accumulated Depreciation:				
Computer equipment	(720,588)	(64,697)	-	(785,285)
Building improvements	(71,407)	(12,644)	-	(84,051)
Furniture, equipment and textbooks	(1,255,461)	(167,765)	-	(1,423,226)
Total Accumulated Depreciation	<u>(2,047,456)</u>	<u>(245,106)</u>	<u>-</u>	<u>(2,292,562)</u>
Capital Assets, net	<u>\$ 637,365</u>	<u>\$ 86,276</u>	<u>\$ -</u>	<u>\$ 723,641</u>

Depreciation expense for the year ended June 30, 2021 was \$245,106.

**Note 3 – Deposits**

Deposits

The School’s policy is to maintain its cash and cash equivalents in major banks. As of June 30, 2021, the carrying amount of the School’s deposits was \$2,312,215 and the respective bank balances totaled \$2,317,653.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Franklin Academy Foundation, Inc. and Subsidiary, which also operates various other charter schools. All bank accounts are opened under the account ownership of Franklin Academy Foundation, Inc. and Subsidiary, therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2021, bank balances in potential excess of FDIC coverage totaled \$2,317,653.



**Note 4 –Management**

The School uses Franklin Academy Foundation Inc., (the holder of the School’s charter) which provides complete administrative and management services to all Franklin Academy schools. These services include but are not limited to: administration of support services (facility maintenance, food service, transportation, etc.); governmental compliance reporting; coordination of legal support for school operations; district management/liaison; parent customer service; grant application/management; charter application development/submission/approval; site selection/development; construction project management; school marketing/enrollment management; financing management; and public relations. There is no written agreement with Franklin Academy Foundation, Inc. During the year, the School made payments totaling \$765,908.

In addition, Building Hope Service, LLC, a professional charter school management company, provides accounting and human resources management services to the School including, but not limited to, regulatory compliance, maintenance of the books and records, bookkeeping, budgeting and financial reporting. The agreement between the School and the management company calls for a fee of \$50 per full time equivalent (FTE). The agreement can be terminated at any time by the board with 30 day notice. During the year ended June 30, 2021, the School incurred approximately \$69,628 in management fees. Building Hope Services, LLC. is located at 1225 SE 2<sup>nd</sup> Avenue, Fort Lauderdale, Florida, 33316.

**Note 5 –Related Party Transactions**

The School transfers funds to the Franklin Academy Foundation and records such transfers as long-term note receivable from Franklin Academy Foundation, Inc. At June 30, 2021, the total note receivable from Franklin Academy Foundation, Inc. was \$2,272,650 with no specific repayment terms. The following summarized the activity during the year:

	Balance 07/01/20	Additions	Collections	Balance 06/30/21
Franklin Academy Foundation	<u>\$ 2,260,085</u>	<u>\$ 12,565</u>	<u>\$ -</u>	<u>\$ 2,272,650</u>
Total Long Term Receivables	<u>\$ 2,260,085</u>	<u>\$ 12,565</u>	<u>\$ -</u>	<u>\$ 2,272,650</u>

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 5% (or 2% for high performing schools) of the qualifying revenues of the School up to and including 250 students. For the year ended June 30, 2021, administrative fees withheld by the School District totaled \$35,681.

**Note 6 – Commitments, Contingencies and Concentrations**

The School entered into a lease and development agreement with Alliance XII, LLC for its 79,271 square foot main campus facility. Initial fixed annual payments under this agreement (based on \$15.77 per square foot) are approximately \$1,250,000 adjusted annually based on the lease schedule, plus additional property expenses including repairs, maintenance and insurance. The agreement continues through July 2026 with an option to renew for up to two additional ten year periods. For 2021, rent expense for the School totaled \$1,674,291.

Future minimum payments for the full lease are as follows:

<u>Year</u>		
2022	\$	1,624,885
2023	\$	1,657,382
2024	\$	1,690,530
2025	\$	1,724,341
2026	\$	1,758,828

Contingencies and Concentrations

The School receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School receives various forms of federal, state and local funding which are subject to financial and compliance audits. It is the opinion of management that the amount of funding, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

**Note 7 – Risk Management**

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past years. In addition, there were no reductions in insurance coverage from those in the prior year.

**Note 8 – Defined Contribution Retirement Plan**

The School's personnel are eligible to participate in a defined contribution 401(k) plan covering employees who meet certain age and tenure requirements. Under the Plan, the School provides a match of the employee's contribution up to 2.5% of the employee's compensation. The School contributed to the Plan \$56,398 for the year ended June 30, 2021. The School does not exercise any control or fiduciary responsibility over the plan's assets.

REQUIRED SUPPLEMENTARY INFORMATION

Franklin Academy Pembroke Pines  
(A charter school under Franklin Academy Foundation, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2021

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 10,778,736	\$ 10,041,857	\$ 10,041,857
Interest and other revenue	27,000	47,425	47,425
Total Revenues	<u>10,805,736</u>	<u>10,089,282</u>	<u>10,089,282</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	6,078,824	5,548,672	5,548,672
Student support services	260,865	203,244	203,244
Curriculum development	13,500	21,689	21,689
General administration	34,880	106,376	106,376
School administration	891,366	835,495	835,495
Fiscal services	832,400	839,666	839,666
Pupil transportation services	385,840	168	168
Operation of plant	1,784,962	1,217,459	1,217,459
Maintenance of plant	185,000	248,110	248,110
Total Current Expenditures	<u>10,467,637</u>	<u>9,020,879</u>	<u>9,020,879</u>
Excess (Deficit) of Revenues Over Current Expenditures	<u>338,099</u>	<u>1,068,403</u>	<u>1,068,403</u>
Capital Outlay	-	59,566	59,566
Total Expenditures	<u>10,467,637</u>	<u>9,080,445</u>	<u>9,080,445</u>
Excess of Revenues Over Expenditures	338,099	1,008,837	1,008,837
Other financing sources (uses):			
Transfers in (out)	-	372	372
Advances to charter holder	-	(12,565)	(12,565)
Net change in fund balance	338,099	996,644	996,644
Fund Balance at beginning of year	<u>565,387</u>	<u>565,387</u>	<u>565,387</u>
Fund Balance at end of year	<u>\$ 903,486</u>	<u>\$ 1,562,031</u>	<u>\$ 1,562,031</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



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*

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To The Board of Directors of  
Franklin Academy Pembroke Pines  
Pembroke Pines, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Academy Pembroke Pines (the “School”) as of, and for the year ended June 30, 2021, 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 28, 2021.

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) as a basis for designing 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 financial statements. 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*.

We issued a separate management letter dated September 28, 2021 pursuant to Chapter 10.850, Rules of the Auditor General.

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.

Handwritten signature in blue ink that reads "HLB Gravier, LLP".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 28, 2021



## MANAGEMENT LETTER

To The Board of Directors of  
Franklin Academy Pembroke Pines  
Pembroke Pines, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Franklin Academy Pembroke Pines, Pembroke Pines, Florida as of and for the fiscal year ended June 30, 2021 and have issued our report thereon dated September 28, 2021.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 28, 2021, 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 findings and recommendation made in the preceding annual financial audit.

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Franklin Academy Pembroke Pines, 5012.

### **Financial Condition and Management**

Section 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 Franklin Academy Pembroke Pines 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 Franklin Academy Pembroke Pines 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 Franklin Academy Pembroke Pines. It is management's responsibility to monitor Franklin Academy Pembroke Pines'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 recommendation 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 Franklin Academy Pembroke Pines maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In Connection with our audit, we determined that Franklin Academy Pembroke Pines maintained on its Web site 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 warrants the attention of those charged with governance. In connection with our audit, we did not note 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 Florida House of Representatives, the Florida Auditor General, School Board of Broward County, 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.

Handwritten signature in blue ink that reads "HLB Gravier, LLP".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 28, 2021