

**IMAGINE CHARTER  
SCHOOL AT NORTH  
LAUDERDALE  
(A Division of Learning  
Excellence Foundation of  
East Broward County, Inc.  
and a Component Unit of the  
School Board of Broward  
County, Florida)**

**Basic Financial Statements  
and Supplementary  
Information**

**June 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Learning Excellence Foundation of East Broward County, Inc.  
North Lauderdale, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Imagine Charter School at North Lauderdale (the "School"), a component unit of the School Board of Broward County, Florida (the "District") and a division of the Learning Excellence Foundation of East Broward County, Inc. (the "Charterholder"), 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.

### ***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 School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, 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***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information, as listed in the table of contents, 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, 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.

September 28, 2021  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*

## Management's Discussion and Analysis

As management of Imagine Charter School at North Lauderdale (the "School") which is a component unit of the School Board of Broward County, Florida (the "District") and a division of Learning Excellence Foundation of East Broward County, Inc. (the "Charterholder"), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2021 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Since the information contained in the Management's Discussion and Analysis ("MD&A") is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the basic financial statements found as listed on the table of contents of this report.

### Financial Highlights

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$508,195 (net position).
- The School's total net position increased by \$232,540.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balance of \$361,944.
- At the end of the current fiscal year, the unassigned fund balance of the general fund was \$816,546.

### 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 have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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, liabilities and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the School that are principally supported by district, state, and federal funding (governmental activities). Instruction, school administration, and food services are examples of the School's governmental activities.

The government-wide financial statements include only the School itself, which is a component unit of the District. The District includes the operations of the School in their operational results.

The government-wide financial statements can be found as listed on the table of contents of this report.

**Fund Financial Statements.** A fund is a collection of related accounts grouped together to maintain control over resources that have been segregated for specific activities or objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the School are presented in governmental funds only.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the near-term financing decisions. Both the governmental fund balance sheet and the School's 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 various individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. The general fund and capital outlay fund are considered to be major funds.

The governmental fund financial statements can be found as listed on the table of contents of this report.

The School adopts an annual appropriated budget for its entire operations. Budgetary comparison schedules with required notes have been provided to demonstrate compliance with this budget and can be found as listed on the table of contents of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed on the table of contents of this report.

## Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, assets exceeded liabilities by \$508,195 (net position) as of June 30, 2021, and \$275,655 as of June 30, 2020.

A significant portion of net position is the School's net investments in capital assets (e.g., leasehold improvements, buildings and fixed equipment, furniture, fixtures and equipment, audio visual equipment, information technology equipment, and computer software). The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

Comparison of the condensed statement of net position and the statement of activities are provided below:

	<b>Governmental Activities</b>		
	<b>2021</b>	<b>2020</b>	<b>Variance</b>
<b>ASSETS</b>			
Current assets	\$ 833,094	\$ 494,486	\$ 338,608
Capital assets, net of accumulated depreciation	146,251	167,679	(21,428)
Total assets	<u>979,345</u>	<u>662,165</u>	<u>317,180</u>
<b>LIABILITIES</b>			
Current liabilities	<u>471,150</u>	<u>386,510</u>	<u>84,640</u>
<b>NET POSITION</b>			
Net investment in capital assets	146,251	167,679	(21,428)
Unrestricted	<u>361,944</u>	<u>107,976</u>	<u>253,968</u>
Total net position	<u>\$ 508,195</u>	<u>\$ 275,655</u>	<u>\$ 232,540</u>

The increase in current assets is primarily due to an increase in cash at the end of the School year due to the School's operations during the year, additional grants received for COVID and the timing of payments. The decrease in capital assets, net of accumulated depreciation is primarily due to current year depreciation that exceeded current year fixed asset additions. The increase in current liabilities is due to the increase in the deferred revenues for prepaid tuition due to more students choosing to prepay.

	<b>Governmental Activities</b>		
	<b>2021</b>	<b>2020</b>	<b>Variance</b>
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 511,247	\$ 832,050	\$ (320,803)
General revenues:			
State passed through school district	4,504,914	4,312,719	192,195
Other revenues	66,496	79,862	(13,366)
Total revenues	<u>5,082,657</u>	<u>5,224,631</u>	<u>(141,974)</u>
Expenses:			
Instruction	2,385,024	2,334,835	50,189
Guidance services	53,957	56,862	(2,905)
Health services	1,074	605	469
Media services	14	50,578	(50,564)
Curriculum development	11,676	15,189	(3,513)
Board of Directors	32,984	27,500	5,484
School administration	1,067,656	1,113,707	(46,051)
Food services	248,727	345,009	(96,282)
Central services	6,818	2,700	4,118
Transportation	90,732	208,552	(117,820)
Operation of plant	867,890	914,910	(47,020)
Maintenance of plant	50,453	57,832	(7,379)
Community service	33,112	29,420	3,692
Interest on long-term debt	-	37	(37)
Total expenses	<u>4,850,117</u>	<u>5,157,736</u>	<u>(307,619)</u>
Change in net position	232,540	66,895	165,645
Net position - beginning	<u>275,655</u>	<u>208,760</u>	<u>66,895</u>
Net position - ending	<u>\$ 508,195</u>	<u>\$ 275,655</u>	<u>\$ 232,540</u>

The increase in funding from the state passed through the district is primarily due to an increase in miscellaneous state revenue received as additional COVID related funding. The decrease in funding from operating grants and contributions is primarily due to the decrease in Title IV and Food service funding as there were no summer programs. The increase in instruction expense, is due to the purchase of new devices (such as computers) to allow students to participate in distance learning. The decrease in media services, school administration, food services, transportation and operation of plant expense is primarily due to the COVID distance learning which did not require students to be on campus causing these expenses to decrease.



**Governmental Activities.** Governmental activities increased the School's net position by \$232,540 for the year ended June 30, 2021.

### **Financial Analysis of the Government's Funds**

As noted previously, 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, unassigned fund balance may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

The general fund is the main operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the general fund was \$816,546, and nonspendable fund balance related to deposits was \$8,105.

### **General Fund Budgetary Highlights**

The School's actual expenditures were less than final budgeted expenditures. The School's final budgeted revenue was less than actual revenue. Additional information on the School's general fund budget and actual can be found as listed on the table of contents of this report.

### **Capital Asset and Debt Administration**

**Capital Assets.** The School's net investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$146,251 (net of accumulated depreciation). This net investment in capital assets includes leasehold improvements, lease of facilities, buildings and fixed equipment, furniture, fixtures and equipment, audio visual equipment, computer software, and information technology equipment. Additional information on the School's capital assets can be found in Note C.

**Debt Administration.** During the current year the School did not have any long-term debt as of June 30, 2021. The School does leases the facility, see Note E-2 for more details.

### **Economic Factors and Future Enrollment**

A majority of the School's funding is determined by the number of enrolled students. The School is forecasting enrollment to be approximately 538 students for the 2021-2022 school year, which is the same as the 538 students for the 2020-2021 school year.

### **Request for Information**

This financial report is designed to provide a general overview of Imagine Charter School at North Lauderdale's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Principal's office at 1395 South State Road 7, North Lauderdale, FL 33068.

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a Component**  
**Unit of the School Board of Broward County, Florida)**

**STATEMENT OF NET POSITION**

**June 30, 2021**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 671,922
Due from other agencies	153,067
Deposits	<u>8,105</u>
Total current assets	<u>833,094</u>
<b>CAPITAL ASSETS, NET</b>	
Capital assets, net of accumulated depreciation and amortization	
Leasehold improvements	125,352
Buildings and fixed equipment	1,021
Furniture, fixtures and equipment	9,646
Audio visual equipment	375
Information technology equipment	<u>9,857</u>
Total capital assets, net	<u>146,251</u>
Total assets	<u>979,345</u>
<b>LIABILITIES</b>	
<b>LIABILITIES</b>	
Accounts payable	12,392
Accrued payroll and related expenses	265,455
Net due to/from management company	117,624
Unearned revenue	<u>75,679</u>
Total liabilities	<u>471,150</u>
<b>NET POSITION</b>	
Net investment in capital assets	146,251
Unrestricted	<u>361,944</u>
Total net position	<u><u>\$ 508,195</u></u>

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

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a Component**  
**Unit of the School Board of Broward County, Florida)**

**STATEMENT OF ACTIVITIES**

**For the year ended June 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 2,385,024	\$ -	\$ 302,576	\$ -	\$ (2,082,448)
Guidance services	53,957	-	-	-	(53,957)
Health services	1,074	-	-	-	(1,074)
Media services	14	-	-	-	(14)
Curriculum development	11,676	-	-	-	(11,676)
Board of directors	32,984	-	-	-	(32,984)
School administration	1,067,656	-	-	-	(1,067,656)
Food services	248,727	-	208,671	-	(40,056)
Central services	6,818	-	-	-	(6,818)
Transportation	90,732	-	-	-	(90,732)
Operation of plant	867,890	-	-	-	(867,890)
Maintenance of plant	50,453	-	-	-	(50,453)
Community service	33,112	-	-	-	(33,112)
Total governmental activities	<u>\$ 4,850,117</u>	<u>\$ -</u>	<u>\$ 511,247</u>	<u>\$ -</u>	<u>(4,338,870)</u>
		General revenues:			
					4,504,914
					66,496
					<u>4,571,410</u>
					232,540
					<u>275,655</u>
					<u>\$ 508,195</u>

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

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a Component**  
**Unit of the School Board of Broward County, Florida)**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2021**

	<u>General Fund</u>	<u>Capital Outlay Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash	\$ 671,922	\$ -	\$ -	\$ 671,922
Due from other agencies	153,067	-	-	153,067
Due from other funds	462,707	-	-	462,707
Deposits	8,105	-	-	8,105
Total assets	<u>\$ 1,295,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,295,801</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 12,392	\$ -	\$ -	\$ 12,392
Accrued payroll and related expenses	265,455	-	-	265,455
Due to other funds	-	249,197	213,510	462,707
Net due to/from management company	117,624	-	-	117,624
Unearned revenue	75,679	-	-	75,679
Total liabilities	<u>471,150</u>	<u>249,197</u>	<u>213,510</u>	<u>933,857</u>
<b>FUND BALANCES</b>				
Nonspendable - deposits	8,105	-	-	8,105
Unassigned	816,546	(249,197)	(213,510)	353,839
Total fund balances	<u>824,651</u>	<u>(249,197)</u>	<u>(213,510)</u>	<u>361,944</u>
Total liabilities and fund balances	<u>\$ 1,295,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,295,801</u>

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

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a Component**  
**Unit of the School Board of Broward County, Florida)**

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**

**June 30, 2021**

Fund balances - total governmental funds	\$	361,944
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The net position reported for governmental activities in the statement of net position is different because:

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

Leasehold improvements, net	\$	125,352	
Buildings and fixed equipment, net		1,021	
Furniture, fixtures and equipment, net		9,646	
Audio visual equipment, net		375	
Information technology equipment, net		9,857	
Total capital assets, net			146,251
Total net position of governmental activities	\$		508,195

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

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a Component**  
**Unit of the School Board of Broward County, Florida)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**

**For the year ended June 30, 2021**

	General Fund	Capital Outlay Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Federal passed through state	\$ -	\$ -	\$ 208,671	\$ 208,671
Federal passed through school district	33,616	-	268,960	302,576
State passed through school district	4,267,439	237,475	-	4,504,914
Other revenues	66,496	-	-	66,496
Total revenues	<u>4,367,551</u>	<u>237,475</u>	<u>477,631</u>	<u>5,082,657</u>
<b>Expenditures</b>				
<b>Current:</b>				
Instruction	2,045,842	-	335,659	2,381,501
Guidance services	53,957	-	-	53,957
Health services	1,074	-	-	1,074
Media services	14	-	-	14
Curriculum development	11,676	-	-	11,676
Board of directors	32,984	-	-	32,984
School administration	1,066,267	-	-	1,066,267
Food services	-	-	248,727	248,727
Central services	6,818	-	-	6,818
Transportation	90,732	-	-	90,732
Operation of plant	357,648	486,672	-	844,320
Maintenance of plant	50,453	-	-	50,453
Community service	33,112	-	-	33,112
Capital outlay	7,054	-	-	7,054
Total expenditures	<u>3,757,631</u>	<u>486,672</u>	<u>584,386</u>	<u>4,828,689</u>
Excess (deficiency) revenues over (under) expenditures	<u>609,920</u>	<u>(249,197)</u>	<u>(106,755)</u>	<u>253,968</u>
<b>Other financing sources (uses):</b>				
Transfers in	106,755	-	-	106,755
Transfers out	-	-	(106,755)	(106,755)
Total other financing sources (uses)	<u>106,755</u>	<u>-</u>	<u>(106,755)</u>	<u>-</u>
Net change in fund balances	716,675	(249,197)	(213,510)	253,968
Fund balances at the beginning of the year	107,976	-	-	107,976
Fund balances at the end of the year	<u>\$ 824,651</u>	<u>\$ (249,197)</u>	<u>\$ (213,510)</u>	<u>\$ 361,944</u>

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

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a Component**  
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**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**

**For the year ended June 30, 2021**

Net change in fund balances - total governmental funds	\$	253,968
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$	7,054
Depreciation and amortization expense		<u>(28,482)</u>
		<u>(21,428)</u>
Change in net position of governmental activities	\$	<u><u>232,540</u></u>

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

**Imagine Charter School at North Lauderdale  
(A Division of Learning Excellence Foundation of East Broward County, Inc. and a  
Component Unit of the School Board of Broward County, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Reporting entity

Imagine Charter School at North Lauderdale (the "School") is a division of the Learning Excellence Foundation of East Broward County, Inc. (the "Charterholder"), a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors (the "Board"), which is composed of three members. The financial information presented is that of the School only and is not intended to be a complete presentation of the Charterholder. The School's entire workforce is provided by the management company; therefore, all benefits are provided by the management company.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, which is the School Board of Broward County, Florida (the "District"). In 2018, a new charter agreement was entered into with the District that expires June 30, 2023. The charter may be renewed by mutual 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 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 also terminate the charter if good cause is shown. The School is considered a component unit of the District.

2. Government-wide and fund financial statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the School. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business type activities.

Net position, the sum of assets and deferred outflow of resources less liabilities and direct inflow of resources, as presented in the statement of net position, is subdivided into three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any borrowings used for the acquisition, construction, or improvement of these assets. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, laws or regulations of other governments, or enabling legislation. Unrestricted net position includes all of the remaining balances that do not meet the definition of the other two categories.



**Imagine Charter School at North Lauderdale**  
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**Component Unit of the School Board of Broward County, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

2. Government-wide and fund financial statements (continued)

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues, and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function.

Indirect expenses are costs the School has allocated to various functions.

Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions.

Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the School's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. The School reports the general fund and capital outlay fund as its major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

3. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made.

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a**  
**Component Unit of the School Board of Broward County, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

3. Measurement focus, basis of accounting, and financial statement presentation (continued)

Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The School reports the following major governmental funds:

General Fund - is the general operating fund of the School and is used to account for all financial resources not required to be accounted for in another fund.

Capital Outlay Fund - in accordance with guidelines established by the School Board of Broward County, Florida, this fund accounts for all resources for the leasing or acquisition of capital facilities by the School to the extent funded by capital outlay funds.

4. Cash

Cash is made up of cash on hand at the School and a checking account held at a financial institution. The School does not have any cash equivalents.

**Imagine Charter School at North Lauderdale  
(A Division of Learning Excellence Foundation of East Broward County, Inc. and a  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

5. Interfund receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/due from other funds.

6. Prepaid expense

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid expenses in both government-wide and fund financial statements.

7. Capital assets

Capital assets are reported in the governmental columns on the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than \$750 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Leasehold improvements are amortized over the shorter of the useful life of the asset or the lease term. Capital assets of the School are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Fixed equipment	7 - 10
Furniture, fixtures and equipment	7 - 10
Audio visual equipment	7
Information technology equipment	5 - 7

8. Noncurrent liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental funds report the face amount of debt issued as other financing sources and the repayment of debt as debt service expenditures. As of June 30, 2021, the School had no noncurrent liabilities.

**Imagine Charter School at North Lauderdale  
(A Division of Learning Excellence Foundation of East Broward County, Inc. and a  
Component Unit of the School Board of Broward County, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

9. Revenue sources

Revenues for current operations are received primarily from the State of Florida passed 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(17), Florida Statutes, the School reports 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 FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during the designated FTE student survey periods.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

10. Income taxes

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

The School recognizes the financial statement effects from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the School and various positions related to the potential sources of unrelated business taxable income. The assessment of the technical merits of a tax position is a matter of judgment. The School believes that all of its tax positions are more likely than not to be sustained upon examination.

The School files Form 990 in the U.S. federal jurisdiction. The School is generally no longer subject to examination by the Internal Revenue Service three years after a return was due or filed.

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a**  
**Component Unit of the School Board of Broward County, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

11. Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

12. Fund balance classification

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

Nonspendable fund balance - amounts that are not spendable (such as inventory and prepaid expense) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the School itself, using its highest level of decision-making authority (i.e. Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the School takes the same highest-level action to remove or change the constraint.

Assigned fund balance - amounts the School intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. No other fund except the General Fund can report positive amounts of unassigned fund balance.

The School would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

13. Impact of recently issued accounting principals

In June 2017, the GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting. This statement is effective for the School's June 30, 2022 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the School's financial statements.

**NOTE B - CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The School does not have a formal policy regarding custodial credit risk. The deposits are insured by the FDIC up to \$250,000 per entity. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the School pursuant to Section 280.08, Florida Statutes. As of June 30, 2021, none of the School's balances held in banks were exposed to custodial credit risk.

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a**  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE C - CAPITAL ASSETS**

Changes in capital assets are as follows:

	Balance at July 1, 2020	Additions	Disposals	Balance at June 30, 2021
Capital assets depreciated and amortized:				
Leasehold improvements	\$ 215,797	\$ 1,860	\$ -	\$ 217,657
Fixed equipment	3,430	-	-	3,430
Furniture, fixtures and equipment	66,553	1,324	-	67,877
Audio visual equipment	71,289	-	-	71,289
Information technology equipment	259,853	3,870	-	263,723
Computer software	23,012	-	-	23,012
Total assets depreciated and amortized	<u>639,934</u>	<u>7,054</u>	<u>-</u>	<u>646,988</u>
Less accumulated depreciation and amortization:				
Leasehold improvements	71,952	20,353	-	92,305
Buildings and fixed equipment	1,919	490	-	2,409
Furniture, fixtures and equipment	55,336	2,895	-	58,231
Audio visual equipment	68,817	2,097	-	70,914
Information technology equipment	251,219	2,647	-	253,866
Computer software	23,012	-	-	23,012
Total accumulated depreciation and amortization	<u>472,255</u>	<u>28,482</u>	<u>-</u>	<u>500,737</u>
Total capital assets, net	<u>\$ 167,679</u>	<u>\$ (21,428)</u>	<u>\$ -</u>	<u>\$ 146,251</u>

Depreciation and amortization expense for the year ended June 30, 2021 was charged to functions of the School as follows:

Basic instruction	\$ 3,523
School administration	1,389
Operation of plant	<u>23,570</u>
	<u>\$ 28,482</u>

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a**  
**Component Unit of the School Board of Broward County, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE D - CONCENTRATIONS**

Revenue sources

As stated in Note A-10, the School receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources and amounts:

Sources	Amounts
School Board of Broward County, Florida	
Base funding	\$ 2,603,155
Class size reduction	707,088
Discretionary local effort	336,342
Supplemental academic instruction	119,237
Student transportation	43,120
Digital classrooms allocation	344
ESE guaranteed allocation	133,224
Instructional materials	41,802
Safe schools	33,410
Proration to appropriation	(11,431)
Reading allocation	23,896
Administration fee withheld	(94,051)
Funding compression allocation	2,833
Mental health allocation	18,315
FL teacher lead program	7,411
2019-2020 adjustment based on final State FTE/FEFP	
Calculation	685
Capital outlay	237,475
CSP COVID 19	49,020
2019-2020 21st Century	22,771
Extended School Year	(312)
Hardening grant	9,617
Governor's Emergency Education relief fund ("GEER")	1,027
GEER Summer Recovery	881
Teacher salary allocation	94,500
International Cultural Partnerships ("ICP") Grant	7,051
CARES HQ Reading	3,000
Elementary and Secondary School emergency Relief Fund	114,504
Total revenue through School Board of Broward County	4,504,914
Title One revenue	291,257
Title IV	8,208
IDEA	3,111
National school lunch program	208,671
Total operating grants and contributions	511,247
Other revenues	66,496
Total revenues	\$ 5,082,657



**Imagine Charter School at North Lauderdale  
(A Division of Learning Excellence Foundation of East Broward County, Inc. and a  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE E - COMMITMENTS AND CONTINGENCIES**

1. Operating agreement

The School entered into an agreement with an operating management company, who shares common ownership with the Charterholder, and calls for an administrative allocation equal to 12% of the revenue as defined by the operating agreement (the revenue provided through the Florida Education Finance Program). Current year management fees charged to operations totaled \$501,479.

In the event there are not sufficient funds to pay operating expenses, the management company will provide operating advances to cover such shortfalls. Per the operating agreement, any advances and repayment agreements will be approved by the Board before any transactions take place. The management company shall be reimbursed for such advances on the first date of each month in which funds reside in the School's operating account for which not otherwise reserved by the operating budget. At the end of each fiscal year, any advances that cannot be reimbursed by current year revenue shall be considered a contribution from the management company. For the year ended June 30, 2021, there were sufficient funds to cover operating expenses and no advances were needed.

2. Facilities

The School committed to pay a facility allocation fee with an operating company, who shares common ownership with the Charterholder, on September 27, 2006 for the building where the School is located pursuant to the terms of the lease or any mortgage agreement which payments relate to the School's use, tenancy or ownership. On July 1, 2019, the agreement was amended, and the terms of the agreement require an annual fee of \$333,162 increased annually by two percent (2%) over the previous fiscal year. In addition, the School pays a facilities allocation amount which covers various common area maintenance expenses. The lease agreement will expire on June 30, 2028.

The current year facility use fee charged to operations totaled \$486,672. A portion of the facility use fee in the amount of \$486,672 was reimbursed through capital outlay funds. The terms of the agreements are until the termination or expiration of the charter agreement (see Note A-1).

3. Federal grants

The School participates in federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. The School is subject to periodic audits and inquiries by various regulatory agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a**  
**Component Unit of the School Board of Broward County, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE E - COMMITMENTS AND CONTINGENCIES (continued)**

4. Legal

The School may be involved in legal actions arising from the normal course of activities. Management is not aware of any pending or threatened litigation, claims or unasserted claims or assessments that have a material effect on the School's financial statements.

5. COVID 19

As a result of the spread of COVID-19, economic uncertainties have arisen which are affecting large segments of the economy, including non-profits. Management is not able to assess what the long-term effects of these uncertainties will be, but the School has taken steps to continuously monitor grant revenue, operations, liquidity, and employee welfare to adjust operations as necessary.

**NOTE F - RELATED PARTIES**

Operating agreement

The School has entered into multiple agreements with the management company. The management company is responsible for organizing, developing, managing, staffing and operating the School. During the current year, the management company charged fees to the School for operating services and the use of the facility and certain equipment as described in Note F-1 and F-2. As of June 30, 2021, the School owes \$117,624 to the management company.

**NOTE G - RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial liability insurance. Under the plan for property insurance, the School's liability is \$25,000 per occurrence. There have been no significant reductions in insurance coverage during fiscal year 2021. Settled claims resulting from the risks described above have not exceeded the insurance coverage for the previous three years.

**Imagine Charter School at North Lauderdale  
(A Division of Learning Excellence Foundation of East Broward County, Inc. and a  
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**NOTES TO FINANCIAL STATEMENTS**

**For the year ended June 30, 2021**

**NOTE H - SUBSEQUENT EVENTS**

The School has evaluated subsequent events through September 28, 2021, the date which the financial statements were available for issuance and has determined that no material subsequent events occurred that would require additional disclosures in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward County, Inc. and a Component**  
**Unit of the School Board of Broward County, Florida)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**

For the year ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenue</b>				
Base FTE funding	\$ 4,046,692	\$ 3,957,969	\$ 3,957,969	\$ -
Other state revenue	189,505	348,182	339,975	(8,207)
Supplemental revenue	66,496	69,607	69,607	-
Total revenue	4,302,693	4,375,758	4,367,551	(8,207)
<b>Expenses</b>				
Salaries and benefits	2,632,620	2,220,531	2,220,531	-
School services	444,520	305,556	305,556	-
Direct educational expense	134,900	315,553	315,553	-
General and administrative	140,000	144,285	144,285	-
Marketing and enrollment	5,000	1,207	1,207	-
Facility operating expense	358,320	261,966	261,966	-
School operating expenditures	3,715,360	3,249,098	3,249,098	-
Facility use fee	5,000	-	-	-
Indirect costs	518,206	501,479	501,479	-
Total expenses	4,238,566	3,750,577	3,750,577	-
Change in net position (budgetary basis)	64,127	625,181	616,974	(8,207)
Other financing sources (uses):				
Transfers out	-	106,755	106,755	-
Total other financing sources (uses)	-	106,755	106,755	-
Adjustments to conform with GAAP:				
Capital outlay expenditures	-	(7,054)	(7,054)	-
<b>Net change in fund balances (GAAP basis)</b>	64,127	724,882	716,675	(8,207)
<b>Fund balances at the beginning of the year</b>	107,976	107,976	107,976	-
<b>Fund balances at the end of the year</b>	\$ 172,103	\$ 832,858	\$ 824,651	\$ (8,207)

See accompanying note to required supplementary information.

**Imagine Charter School at North Lauderdale**  
**(A Division of Learning Excellence Foundation of East Broward, Inc. and a Component**  
**Unit of the School Board of Broward County, Florida)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL OUTLAY FUND**

**For the year ended June 30, 2021**

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenue</b>				
Charter capital funding	\$ 271,690	\$ 237,475	\$ 237,475	\$ -
<b>Expenditures</b>				
Facility use fee	476,496	486,672	486,672	-
<b>Net change in fund balances</b>	<u>(204,806)</u>	<u>(249,197)</u>	<u>(249,197)</u>	<u>-</u>
<b>Fund balances at the end of the year</b>	<u>\$ (204,806)</u>	<u>\$ (249,197)</u>	<u>\$ (249,197)</u>	<u>\$ -</u>

See accompanying note to required supplementary information.

**Imagine Charter School at North Lauderdale  
(A Division of Learning Excellence Foundation of East Broward County, Inc. and a  
Component Unit of the School Board of Broward County, Florida)**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**For the year ended June 30, 2021**

**NOTE A - BUDGETARY INFORMATION**

The School's annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the Board of Directors. Since the budgetary basis differs from accounting principles generally accepted in the United States of America ("GAAP"), budget and actual amounts in the accompanying required supplementary information are presented on the budgetary basis. A reconciliation to the net change in fund balances presented in conformity with GAAP is set forth in the adjustments to the required supplementary information. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general fund and each major fund for which a legally adopted budget exists.

## **COMPLIANCE INFORMATION**



**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  
Learning Excellence Foundation of East Broward County, Inc.  
North Lauderdale, 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 Imagine Charter School at North Lauderdale (the "School"), a component unit of the School Board of Broward County, Florida (the "District") and a division of the Learning Excellence Foundation of East Broward County, Inc. (the "Charterholder"), 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 School's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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*.

## **Purpose of this Report**

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

September 28, 2021  
Melbourne, Florida

*Berman Hopkins Wright & Latham*  
*CPAs and Associates, LLP*

## MANAGEMENT LETTER

To the Board of Directors  
Learning Excellence Foundation of East Broward County, Inc.  
North Lauderdale, Florida

### Report on the Financial Statements

We have audited the financial statements of Imagine Charter School at North Lauderdale (the “School”), a component unit of the School Board of Broward County, Florida (the “District”) and a division of Learning Excellence Foundation of East Broward County, Inc. (the “Charterholder”), 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 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 those reports, which is 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. The School did not have findings or recommendations in the preceding annual financial 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 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 Florida Department of Education of the entity are Imagine Charter School at North Lauderdale, 5171.

## **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 Web site 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 warrants the attention of those charged with governance. In connection with our audit, we did not have any such items.

## **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 School's management, Board of Directors, others within the School, the School Board of Broward County, Florida, the State of Florida, and other regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

September 28, 2021  
Melbourne, Florida

*Berman Hopkins Wright & LaHam*  
*CPAs and Associates, LLP*