

**Avant Garde Academy K-5 Broward**  
A Department of Avant Garde Academy Foundation, Inc.  
(A Component Unit of the School  
Board of Broward County, Florida)

Basic Financial Statements  
and Additional Information  
For the Year Ended June 30, 2022



# Avant Garde Academy K-5 Broward

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Avant Garde Academy K-5 Broward  
A Department of Avant Garde Academy Foundation, Inc.

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major fund of Avant Garde Academy K-5 Broward (the "School"), a department of Avant Garde Academy Foundation, Inc., and a component unit of the School District of Broward County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2022, 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.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As discussed in Note 1, the financial statements of the School are intended to present the financial position and change in financial position of only that portion of the governmental activities and each major fund of Avant Garde Academy Foundation, Inc. that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Avant Garde Academy Foundation, Inc. as of June 30, 2022 and the changes in its financial position and budgetary comparisons, where applicable, for the year ended June 30, 2022 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibility of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 and budgetary comparison for the General Fund and Special Revenue Fund on pages 23 and 24, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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, 2022, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
September 28, 2022

# MANAGEMENT'S DISCUSSION AND ANALYSIS



As management of Avant Garde Academy K-5 Broward (the "School"), a Department of Avant Garde Academy Foundation, Inc. and a component unit of the School Board of Broward County, Florida (the "School Board"), we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2022 and certain comparative information for 2021.

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

### **Financial Highlights**

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

- As of June 30, 2022, the School's fund balances was \$ 2,261,144.
- As of June 30, 2022, the School had overall net position of \$ 2,580,015.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: 1) government-wide basic financial statements, 2) fund basic financial statements, and 3) notes to the basic financial statements.

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

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

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

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

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

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

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

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

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

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

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

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

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

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of June 30, 2022 and 2021:

Avant Garde Academy K-5 Broward Net Position		
	June 30, 2022	June 30, 2021
<b>Assets:</b>		
Current assets	\$ 3,527,377	\$ 2,615,924
Noncurrent assets	26,960,231	23,423,206
Total assets	30,487,608	26,039,130
<b>Liabilities:</b>		
Current liabilities	1,379,011	1,929,544
Noncurrent liabilities	26,528,582	21,702,378
Total liabilities	27,907,593	23,631,922
<b>Net Position:</b>		
Net investment in capital assets	181,584	872,413
Unrestricted	2,398,431	1,534,795
Total net position	\$ 2,580,015	\$ 2,407,208

**Avant Garde Academy K-5 Broward  
Management's Discussion and Analysis  
June 30, 2022**

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**Governmental Activities:** The results of this year's operations for the School as a whole are reported in the statement of activities on page 9. The table below provides a condensed presentation of the School's revenues and expenses for the years ended June 30, 2022 and 2021:

Avant Garde Academy K-5 Broward Change in Net Position			
		June 30, 2022	June 30, 2021
Revenues:			
General revenues	\$	8,407,323	\$ 8,393,245
Program revenues		<u>1,761,505</u>	<u>1,522,933</u>
Total revenues		<u>10,168,828</u>	<u>9,916,178</u>
Functions/Program Expenses:			
Instruction		4,889,365	4,427,018
Instructional support services		2,143,553	1,682,400
Operation of noninstructional services		<u>2,963,103</u>	<u>2,429,810</u>
Total expenses		<u>9,996,021</u>	<u>8,539,228</u>
Change in net position	\$	<u>172,807</u>	\$ <u>1,376,950</u>

General revenues mostly consist of the School's per pupil funding, as well as other income items. Program revenues mostly consist of Title 1 funds of \$ 298,680, National School Lunch Program revenues of \$ 720,108, Cares Act grant of \$ 205,658, Capital Outlay Funding of \$ 519,928 and other grants of \$ 17,020 and \$ 111 for charges for services. Total expenses for the year are \$ 9,996,021 mainly consisting of instructional, fiscal services and debt service.

**Governmental Fund Expenditures**

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

Functions/Programs	2022		2021	
	Expenditures	Percent	Expenditures	Percent
Governmental expenditures:				
Instructional expenditures	\$ 4,406,641	32%	\$ 3,850,561	12%
Fiscal services	899,250	7%	968,343	3%
Facilities acquisition and construction	4,772,014	35%	24,433,772	77%
Plant operations and maintenance	547,744	4%	493,054	2%
Administrative services	689,766	5%	830,536	3%
All other functions/programs	<u>2,488,381</u>	<u>18%</u>	<u>807,258</u>	<u>3%</u>
Total governmental expenditures	<u>\$ 13,803,796</u>	<u>100%</u>	<u>\$ 31,383,524</u>	<u>100%</u>

### **Capital Assets and Debt Administration**

**Capital assets:** At June 30, 2022, the School had capital assets of \$ 26,960,231 net of accumulated depreciation and amortization, invested in building, furniture, fixtures and equipment, books, computer equipment and improvements other than buildings as compared to \$ 23,423,206 at June 30, 2021.

**Debt:** At June 30, 2022, the School had outstanding debt of \$ 26,778,647, as compared to \$ 22,550,793 at June 30, 2021.

### **General Fund Budgetary Highlights**

The final School enrollment was 94% of capacity. The enrollment shortfall was mostly due to the ongoing effects of the pandemic. The School received unbudgeted ESSR and NSLP grant funds that attributed to a favorable variance in revenues. The School's operating expenditures, exclusive of the capital lease expenditure and corresponding proceeds were \$ 215,564 over budget. The overall actual expenditures were \$ 12,042,291, and \$ 4,987,578 over the original budget, which was due to the unbudgeted capital revenues and expenditures associated with the recording of the capital lease from the sale of the facility from its original owner to a portfolio which will allow the School to obtain ownership of the property as a component of lease fulfillment. The School ended the year with a fund balance of \$ 2,261,144, which is an increase of \$ 726,349 over the prior fiscal year; and a net position of \$ 2,580,015, which is an increase of \$ 172,807 over the prior fiscal year.

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

For fiscal year 2022-2023, expected enrollment will be increased from 982 students from the prior year to 1,050 students. The overall K-12 program between the two co-located schools will have a net increase of 83 students over the prior school year.

### **Requests for Information**

If you have questions about this report or need additional information, please contact Avant Garde Academy K-5 Broward, 2025 McKinley Avenue, Hollywood, FL 33020.

# BASIC FINANCIAL STATEMENTS

**Avant Garde Academy K-5 Broward**  
**Statement of Net Position**  
**June 30, 2022**

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	<b>Governmental Activities</b>
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 2,890,974
Due from government agencies	383,507
Prepays	250,096
Deposits	<u>2,800</u>
Total current assets	<u>3,527,377</u>
<b>Noncurrent Assets:</b>	
Capital assets, net of accumulated depreciation and amortization	<u>26,960,231</u>
Total assets	<u>30,487,608</u>
<b>Current Liabilities:</b>	
Accounts payable	256,799
Salaries and wages payable	872,147
Leases payable due within one year	<u>250,065</u>
Total current liabilities	<u>1,379,011</u>
<b>Noncurrent Liabilities:</b>	
Leases payable due in more than one year	<u>26,528,582</u>
Total noncurrent liabilities	<u>26,528,582</u>
Total liabilities	<u>27,907,593</u>
<b>Net Position:</b>	
Net investment in capital assets	181,584
Unrestricted	<u>2,398,431</u>
Total net position	\$ <u><u>2,580,015</u></u>

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

**Avant Garde Academy K-5 Broward  
Statement of Activities  
For the Year Ended June 30, 2022**

	Program Revenues			Governmental	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
				Net Revenue (Expense) and Change in Net Position	
<b>Functions/Programs:</b>					
Instruction	\$ 4,889,365	\$ -	\$ 521,358	\$ -	\$ (4,368,007)
Instructional support services	30,538	-	-	-	(30,538)
Board services	17,079	-	-	-	(17,079)
General administration - District administrative fee	91,108	-	-	-	(91,108)
Administrative services	598,658	-	-	-	(598,658)
Facilities acquisition and construction	721,728	-	-	519,928	(201,800)
Fiscal services	899,250	-	-	-	(899,250)
Food services	720,219	111	720,108	-	-
Central services	710	-	-	-	(710)
Community services	-	-	-	-	-
Student transportation	154,576	-	-	-	(154,576)
Operation of plant	345,250	-	-	-	(345,250)
Maintenance of plant	202,494	-	-	-	(202,494)
Interest expense	1,325,046	-	-	-	(1,325,046)
Total governmental activities	\$ <u>9,996,021</u>	\$ <u>111</u>	\$ <u>1,241,466</u>	\$ <u>519,928</u>	<u>(8,234,516)</u>
General revenues:					
Grants and entitlements					7,426,824
Miscellaneous					980,499
Total general revenues					<u>8,407,323</u>
Change in net position					172,807
Net position, July 1, 2021					<u>2,407,208</u>
Net position, June 30, 2022					\$ <u><u>2,580,015</u></u>

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

**Avant Garde Academy K-5 Broward  
Balance Sheet - Governmental Funds  
June 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,890,974	\$ -	\$ -	\$ 2,890,974
Due from government agencies	-	383,507	-	383,507
Due from other funds	383,507	-	-	383,507
Prepays	250,096	-	-	250,096
Deposits	2,800	-	-	2,800
	<u>3,527,377</u>	<u>383,507</u>	<u>-</u>	<u>3,910,884</u>
Total assets	<u>\$ 3,527,377</u>	<u>\$ 383,507</u>	<u>\$ -</u>	<u>\$ 3,910,884</u>
<b>Liabilities:</b>				
Accounts payable	\$ 256,799	\$ -	\$ -	\$ 256,799
Salaries and wages payable	872,147	-	-	872,147
Due to other funds	-	383,507	-	383,507
	<u>1,128,946</u>	<u>383,507</u>	<u>-</u>	<u>1,512,453</u>
Total liabilities	<u>1,128,946</u>	<u>383,507</u>	<u>-</u>	<u>1,512,453</u>
<b>Deferred inflows:</b>				
Unavailable revenues	-	137,287	-	137,287
	<u>-</u>	<u>137,287</u>	<u>-</u>	<u>137,287</u>
<b>Fund Balances:</b>				
Nonspendable:				
Prepays	250,096	-	-	250,096
Deposits	2,800	-	-	2,800
Unassigned (deficit)	2,145,535	(137,287)	-	2,008,248
	<u>2,398,431</u>	<u>(137,287)</u>	<u>-</u>	<u>2,261,144</u>
Total fund balances	<u>2,398,431</u>	<u>(137,287)</u>	<u>-</u>	<u>2,261,144</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 3,527,377</u>	<u>\$ 383,507</u>	<u>\$ -</u>	<u>\$ 3,910,884</u>

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

**Avant Garde Academy K-5 Broward  
 Reconciliation of the Balance Sheet of the Governmental Funds  
 to the Statement of Net Position  
 June 30, 2022**

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**Total Fund Balances - Governmental Funds** \$ 2,261,144

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

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

Cost of capital assets	\$	31,844,887	
Accumulated depreciation and amortization		<u>(4,884,656)</u>	26,960,231

Unavailable revenue in the governmental fund is susceptible to full accrual in the government-wide statements.	137,287
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Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities both current and long-term, are reported in the government-wide statements.

Leases	<u>(26,778,647)</u>
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<b>Net Position of Governmental Activities</b>	<b>\$ <u><u>2,580,015</u></u></b>
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The accompanying notes to basic financial statements are an integral part of these statements.

**Avant Garde Academy K-5 Broward  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
<b>Revenues:</b>				
Federal through state	\$ -	\$ 1,104,179	\$ -	\$ 1,104,179
State sources	7,426,824	-	519,928	7,946,752
Local sources	980,499	111	-	980,610
Total revenues	<u>8,407,323</u>	<u>1,104,290</u>	<u>519,928</u>	<u>10,031,541</u>
<b>Expenditures:</b>				
Instruction	3,854,745	521,358	-	4,376,103
Instructional support services	30,538	-	-	30,538
Board services	17,079	-	-	17,079
General administration - District administrative fee	91,108	-	-	91,108
Administrative services	598,658	-	-	598,658
Facilities acquisition and construction	4,772,014	-	-	4,772,014
Fiscal services	899,250	-	-	899,250
Food services	-	720,219	-	720,219
Central services	710	-	-	710
Community services	-	-	-	-
Student transportation	154,576	-	-	154,576
Operation of plant	345,250	-	-	345,250
Maintenance of plant	202,494	-	-	202,494
Debt service:				
Principal	270,750	-	-	270,750
Interest	805,119	-	519,928	1,325,047
Total expenditures	<u>12,042,291</u>	<u>1,241,577</u>	<u>519,928</u>	<u>13,803,796</u>
Excess (deficiency) of revenues over expenditures	<u>(3,634,968)</u>	<u>(137,287)</u>	<u>-</u>	<u>(3,772,255)</u>
<b>Other Financing Sources:</b>				
Proceeds from lease payable	<u>4,498,604</u>	<u>-</u>	<u>-</u>	<u>4,498,604</u>
Net change in fund balances	863,636	(137,287)	-	726,349
<b>Fund Balances, July 1, 2021</b>	<u>1,534,795</u>	<u>-</u>	<u>-</u>	<u>1,534,795</u>
<b>Fund Balances (Deficit), June 30, 2022</b>	<u>\$ 2,398,431</u>	<u>\$ (137,287)</u>	<u>\$ -</u>	<u>\$ 2,261,144</u>

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

**Avant Garde Academy K-5 Broward  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of the  
Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2022**

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<b>Net Change in Fund Balances - Governmental Funds</b>	\$	726,349
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as a provision for depreciation and amortization.</p>		
Cost of capital assets	\$	4,751,666
Provision for depreciation and amortization		<u>(1,214,641)</u>
		3,537,025
<p>Lease proceeds provide current financial resources to governmental funds, but leases increase long-term liabilities in the statement of net position.</p>		
		(4,498,604)
<p>Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently in the governmental fund financial statements when they become available.</p>		
		137,287
<p>Principal payments on long-term debt are reported as expenditures in governmental funds, but as a reduction of long-term liabilities in the statement of net position.</p>		
		<u>270,750</u>
<b>Change in Net Position of Governmental Activities</b>	\$	<u><u>172,807</u></u>

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

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

Avant Garde Academy K-5 Broward (the "School"), a Department of Avant Garde Academy Foundation, Inc. (the "Foundation") and a component unit of the School Board of Broward County, Florida, was established in 2015 as a public charter school to serve students from kindergarten to fifth grade in Broward County. The Foundation is a Florida nonprofit corporation organized pursuant to Chapter 617, Florida Statutes and the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members. There was an average of 982 students enrolled for the 2021/2022 school year.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of the Foundation as of June 30, 2022, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Accordingly, these basic financial statements only include balances, activity and disclosures related to the School.

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

**Reporting entity:** The School operates under a charter granted by the sponsoring School Board of Broward County (the "School Board"). The current charter is effective until June 30, 2025 and may be renewed by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter in which case the School Board is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The School is considered a component unit of the School Board of Broward County.

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

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

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

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

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

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

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

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

The School's major governmental funds are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The School has recorded a right to use lease asset as a result of implementing GASB 87, *Leases*. The right to use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use asset is amortized on a straight-line basis over the life of the related lease.

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The School has recorded deferred inflows representing unavailable revenues in the amount of \$ 137,287.

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

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

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

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

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

- Unassigned - this classification includes amounts that have not been restricted, committed or assigned for a specific purpose within the General Fund.

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

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

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

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

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

**Date of management review:** Subsequent events were evaluated by management through September 28, 2022, which is the date the financial statements were available to be issued.

**Note 3 - Cash and Cash Equivalents**

At June 30, 2022, the carrying amount of the deposits and cash on hand totaled \$ 2,890,974, with bank balances of \$ 3,137,234.

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

**Note 4 - Due from Government Agencies**

Due from government agencies at June 30, 2022 consists of amounts due from the District for National School Lunch Program, Elementary and Secondary Emergency Relief (ESSER) funds and Title I funds.

**Avant Garde Academy K-5 Broward  
Notes to Basic Financial Statements  
June 30, 2022**

**Note 5 - Capital Assets**

Capital asset balances and activity for the year ended June 30, 2022 are as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Capital assets, being depreciated/ amortized:				
Furniture, fixtures and equipment	\$ 2,674,955	\$ 17,383	\$ -	\$ 2,692,338
Books	899,479	229,259	-	1,128,738
Computer equipment	698,863	6,420	-	705,283
Improvements other than building	128,650	-	-	128,650
Intangible right to use:				
Building	<u>22,691,274</u>	<u>4,498,604</u>	<u>-</u>	<u>27,189,878</u>
 Total capital assets being depreciated/amortized	 <u>27,093,221</u>	 <u>4,751,666</u>	 <u>-</u>	 <u>31,844,887</u>
Accumulated depreciation and amortization:				
Furniture, fixtures and equipment	2,357,209	157,570	-	2,514,779
Books	694,708	201,687	-	896,395
Computer equipment	376,430	154,005	-	530,435
Improvements other than building	54,137	22,786	-	76,923
Intangible right to use:				
Building	<u>187,531</u>	<u>678,593</u>	<u>-</u>	<u>866,124</u>
 Total accumulated depreciation and amortization	 <u>3,670,015</u>	 <u>1,214,641</u>	 <u>-</u>	 <u>4,884,656</u>
 Net capital assets	 <u>\$ 23,423,206</u>	 <u>\$ 3,537,025</u>	 <u>\$ -</u>	 <u>\$ 26,960,231</u>

Provision for depreciation and amortization was charged to governmental activities as follows:

Instruction	\$ 513,262
Facilities acquisition and construction	<u>701,379</u>
	<u>\$ 1,214,641</u>

**Note 6 - Long-Term Liabilities**

**Lease:** During the year ended June 30, 2021, the School and Avant Garde Academy of Broward (“AGAB”) (Note 7) entered into a lease for the rental of the facility through June 2041. The total monthly payment amounts to approximately \$ 240,000, of which approximately \$ 129,000 is the monthly payment for the School and includes imputed interest at 4.927%. As a result of the implementation of GASB 87, *Leases*, it was determined that the School will exercise the four renewal options, extending the lease from June 2041 to June 2061. The effect of this was to increase the lease and related building by \$ 4,498,604 from the amount reported in 2021. At June 30, 2022, the outstanding balance of this lease amounted to \$ 26,763,309.

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

During the year, the School entered into a lease for the purchase of computers in the amount of \$ 35,100. Principal and interest at a fixed rate of 8.335% are payable in monthly installments of \$ 1,593 through April 2023. The outstanding balance at June 30, 2022 was \$ 15,338.

The future payments required under these leases as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 250,065	\$ 1,313,063	\$ 1,563,128
2024	246,554	1,301,236	1,547,790
2025	258,978	1,288,812	1,547,790
2026	272,027	1,275,763	1,547,790
2027	285,734	1,262,056	1,547,790
2028-2032	1,659,697	6,079,253	7,738,950
2033-2037	2,122,153	5,616,797	7,738,950
2038-2042	2,713,466	5,025,484	7,738,950
2043-2047	3,469,542	4,269,408	7,738,950
2048-2052	4,436,290	3,302,660	7,738,950
2053-2057	5,672,412	2,066,538	7,738,950
2058-2061	5,391,729	535,382	5,927,111
	<u>\$ 26,778,647</u>	<u>\$ 33,336,452</u>	<u>\$ 60,115,099</u>

Changes in the School's long-term liabilities for the fiscal year ended June 30, 2022, are as follows:

	Balance at July 1, 2021	Additions	Retirements	Balance at June 30, 2022	Amount Due Within One Year
Lease - building	\$ 22,488,172	\$ 4,498,604	\$ 223,467	\$ 26,763,309	\$ 234,727
Leases - computer and other equipment	62,621	-	47,283	15,338	15,338
	<u>\$ 22,550,793</u>	<u>\$ 4,498,604</u>	<u>\$ 270,750</u>	<u>\$ 26,778,647</u>	<u>\$ 250,065</u>

**Note 7 - Related Party**

The School shares the same physical location with AGAB (Note 6), as they share common board membership and are departments of the Academy. The schools share common expenditures, of which have been allocated between the Schools based on student enrollment. As a result, at June 30, 2022, the School had a balance due from AGAB of \$ 650,823. This amount was forgiven and is included within the local and other revenue in the statement of activities and statement of revenues, expenditures and changes in fund balance - governmental funds.

**Note 8 - Operating Agreement**

The School entered into a contract for the period July 1, 2020 to June 30, 2035 with Leading Bright Scholars, Inc. ("LBS"). The contract calls for LBS to provide the School with general management of the day-to-day educational and operational aspects of the School. LBS subcontracts with Alliance Education Services, Inc. ("Alliance") for the provision of related services. An annual fee of 11% of the total revenues is paid in monthly installments. LBS and Alliance each received 5.5% of the annual fee. The total amount incurred during the year ended June 30, 2022, relating to these contracts were approximately \$ 899,000.

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

The following is a schedule of the School's state revenue for the year ended June 30, 2022:

Florida Education Finance Program	\$	4,812,887
Class size reduction		1,066,825
Discretionary local effort		632,647
Capital outlay		519,928
Supplementary academic instruction		213,600
ESE guarantee		107,911
Teacher salary allocation		191,824
Instructional materials		68,510
Transportation		60,984
Safe schools		58,222
Security grant		54,600
Additional allocation		50,207
Reading allocation		41,897
Mental health		38,216
Teacher lead program		16,190
Compression allocation		11,691
Digital classroom allocation		<u>613</u>
	\$	<u><u>7,946,752</u></u>

**Note 10 - Pension Plan**

The School participates in a defined contribution tax sheltered annuity 403(b) plan for participating employees. Contributions made by the School totaled approximately \$ 52,300 for the year ended June 30, 2022, which were computed at 3% of employee compensation for each participating employee. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The rate of contribution is set annually by the School's Board of Directors.

**Note 11 - Risk Management**

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

**Note 12 - Deficit Fund Balance**

The School's special revenue fund shows a deficit of \$ 137,287 at June 30, 2022. This is a result of certain grant revenues not being received within sixty days of year end and thus are presented as deferred inflows of resources. This deficit is expected to get eliminated once these funds are received.

# REQUIRED SUPPLEMENTARY INFORMATION



**Avant Garde Academy K-5 Broward  
 Budgetary Comparison Schedule - General Fund  
 For the Year Ended June 30, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
State sources	\$ 7,355,699	\$ 7,426,824	\$ 71,125
Local sources	112,500	980,499	867,999
	<u>7,468,199</u>	<u>8,407,323</u>	<u>939,124</u>
<b>Expenditures:</b>			
Instruction	3,647,806	3,854,745	(206,939)
Instructional support services	21,000	30,538	(9,538)
Board services	14,628	17,079	(2,451)
General administration - District administrative fee	92,476	91,108	1,368
Administrative services	759,453	598,658	160,795
Facilities acquisition and construction	-	4,772,014	(4,772,014)
Fiscal services	916,755	899,250	17,505
Central services	737	710	27
Community services	-	-	-
Student transportation	131,376	154,576	(23,200)
Operation of plant	340,494	345,250	(4,756)
Maintenance of plant	244,941	202,494	42,447
Debt service:			
Principal	221,262	270,750	(49,488)
Interest	663,785	805,119	(141,334)
	<u>7,054,713</u>	<u>12,042,291</u>	<u>(4,987,578)</u>
Excess (deficiency) of revenues over expenditures	<u>413,486</u>	<u>(3,634,968)</u>	<u>(4,048,454)</u>
<b>Other Financing Sources:</b>			
Proceeds from lease payable	<u>-</u>	<u>4,498,604</u>	<u>4,498,604</u>
Net change in fund balance	<u>\$ 413,486</u>	<u>\$ 863,636</u>	<u>\$ 450,150</u>

**Avant Garde Academy K-5 Broward  
 Budgetary Comparison Schedule - Special Revenue Fund  
 For the Year Ended June 30, 2022**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Federal through state	\$ 848,965	\$ 1,104,179	\$ 255,214
Local sources	-	111	111
	<u>848,965</u>	<u>1,104,290</u>	<u>255,325</u>
<b>Expenditures:</b>			
Instruction	349,216	521,358	(172,142)
Food services	499,749	720,219	(220,470)
	<u>848,965</u>	<u>1,241,577</u>	<u>(392,612)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>(137,287)</u>	\$ <u>(137,287)</u>

OTHER INDEPENDENT  
AUDITOR'S REPORTS



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

To the Board of Directors  
Avant Garde Academy K-5 Broward  
A Department of Avant Garde Academy Foundation, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Avant Garde Academy K-5 Broward (the "School") (f/k/a Avant Garde Academy K-8 Broward), a Department of Avant Garde Academy Foundation, Inc. and a component unit of the School Board of Broward County, Florida, as of and for the year ended June 30, 2022, 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, 2022.

### Report on 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.

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## Report on 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*.

### Purpose of this Report

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
September 28, 2022

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

To the Board of Directors  
Avant Garde Academy K-5 Broward  
A Department of Avant Garde Academy Foundation, Inc.

### Report on the Financial Statements

We have audited the financial statements of Avant Garde Academy K-5 Broward (the "School") (f/k/a Avant Garde Academy K-8 Broward), a Department of Avant Garde Academy Foundation, Inc. and a component unit of the School Board of Broward County, Florida, as of and for the year ended June 30, 2022, and have issued our report thereon dated September 28, 2022.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 28, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title

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

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### **Financial Condition and Management**

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

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

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

### **Transparency**

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

### **Additional Matters**

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

### **Purpose of this Letter**

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida  
September 28, 2022