

Avant Garde Academy of 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, 2023



Avant Garde Academy of Broward

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Avant Garde Academy of 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 of 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, 2023, 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, 2023, 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, 2023 and the changes in its financial position and budgetary comparisons, where applicable, for the year ended June 30, 2023 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 22 and 23, 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 21, 2023, 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 21, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



As management of Avant Garde Academy of 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, 2023 and certain comparative information for 2022.

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, 2023, the School’s fund balances were \$ 490,675.
- As of June 30, 2023, the School had overall net position of \$ 578,157.

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, 2023 and 2022:

| Avant Garde Academy of Broward Net Position | | |
|--|------------------|------------------|
| | June 30, 2023 | June 30, 2022 |
| Assets: | | |
| Current and other assets | \$ 890,045 | \$ 399,555 |
| Capital assets, net of depreciation | 22,469,524 | 22,932,060 |
| Total assets | 23,359,569 | 23,331,615 |
| Liabilities: | | |
| Current liabilities | 211,737 | 201,577 |
| Noncurrent liabilities | 22,569,675 | 22,781,418 |
| Total liabilities | 22,781,412 | 22,982,995 |
| Net Position: | | |
| Net investment in capital assets (deficit) | (311,888) | (50,935) |
| Unrestricted | 890,045 | 399,555 |
| Total net position | \$ 578,157 | \$ 348,620 |

**Avant Garde Academy of Broward
Management's Discussion and Analysis
June 30, 2023**

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, 2023 and 2022:

| Avant Garde Academy of Broward Change in Net Position | | | |
|--|----|-------------------|---------------------|
| | | June 30, 2023 | June 30, 2022 |
| Revenues: | | | |
| General revenues | \$ | 9,194,496 | \$ 7,769,046 |
| Program revenues | | 1,916,413 | 1,755,269 |
| Total revenues | | <u>11,110,909</u> | <u>9,524,315</u> |
| Functions/Program Expenses: | | | |
| Instruction | | 5,609,807 | 4,466,724 |
| Instructional support services | | 3,373,960 | 3,197,478 |
| Operation of noninstructional services | | 1,897,605 | 2,200,146 |
| Total expenses | | <u>10,881,372</u> | <u>9,864,348</u> |
| Change in net position | \$ | <u>229,537</u> | \$ <u>(340,033)</u> |

General revenues mostly consist of the School's per pupil funding, as well as other income items. Program revenues consist of Title I funds of \$ 331,054, National School Lunch Program revenues of \$ 388,548, Capital Outlay Funding of \$ 574,839, Cares Act grants of \$ 583,586 and other grants of \$ 38,386. Total expenses for the year are \$ 10,881,372 mainly consisting of instructional, operation of plant and interest expense.

Governmental Fund Expenditures

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

| Functions/Programs | 2023 | | 2022 | |
|---|----------------------|-------------|----------------------|-------------|
| | Expenditures | Percent | Expenditures | Percent |
| Governmental expenditures: | | | | |
| Instructional expenditures | \$ 5,292,809 | 50% | \$ 4,291,287 | 32% |
| Fiscal services | 975,958 | 9% | 915,529 | 7% |
| Facilities acquisition and construction | 448,004 | 4% | 4,035,801 | 30% |
| Plant operations and maintenance | 854,370 | 8% | 601,553 | 5% |
| Administrative services | 818,393 | 8% | 695,681 | 5% |
| All other functions/programs | <u>2,230,885</u> | <u>21%</u> | <u>2,791,766</u> | <u>21%</u> |
| Total governmental expenditures | <u>\$ 10,620,419</u> | <u>100%</u> | <u>\$ 13,331,617</u> | <u>100%</u> |

Capital Assets and Debt Administration

Capital assets: At June 30, 2023, the School had capital assets of \$ 22,469,524, net of accumulated depreciation and amortization, invested in right of use building, furniture, fixtures and equipment, as compared to \$ 22,932,060 at June 30, 2022.

Debt: At June 30, 2023, the School had outstanding debt of \$ 22,781,412, as compared to \$ 22,982,995 at June 30, 2022.

General Fund Budgetary Highlights

The final School enrollment was at approximately 100% of capacity. The School had an original budget based on revenue and budget driven expenses of approximately \$ 10.3 million. Actual revenue was \$ 993,372 higher than budgeted amounts, mostly due to additional one time federal and state grants that the school qualified for and ultimately received as revenue. Those grants also resulted in additional expense discharge of approximately 404,000 across multiple areas of the budget, with all of those areas as approved by grant program and most of those in support of student instruction and mental health/safety. The School ended the year with a fund balance of \$ 490,675, which is an increase of \$ 299,048 over the prior fiscal year, and a net position of \$ 707,533 which is an increase of \$ 358,913 over the prior fiscal year.

Economic Factors and Next Year's Budget

For fiscal year 2023-2024, expected enrollment will be consistent with current year's total of 1,050 students in grades 6-12. Between the two co-located schools, enrollment remained consistent with the prior year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Avant Garde Academy of Broward
Statement of Net Position
June 30, 2023

| | Governmental Activities |
|--|------------------------------------|
| Current Assets: | |
| Cash and cash equivalents | \$ 432,793 |
| Due from other governments | <u>457,252</u> |
| Total current assets | <u>890,045</u> |
| Noncurrent Assets: | |
| Capital assets, net of accumulated depreciation and amortization | <u>22,469,524</u> |
| Total assets | <u>23,359,569</u> |
| Current Liabilities: | |
| Lease payable due within one year | <u>211,737</u> |
| Total current liabilities | <u>211,737</u> |
| Noncurrent Liabilities: | |
| Lease payable due in more than one year | <u>22,569,675</u> |
| Total noncurrent liabilities | <u>22,569,675</u> |
| Total liabilities | <u>22,781,412</u> |
| Net Position: | |
| Net investment in capital assets (deficit) | (311,888) |
| Unrestricted | <u>890,045</u> |
| Total net position | <u>\$ 578,157</u> |

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

**Avant Garde Academy of Broward
Statement of Activities
For the Year Ended June 30, 2023**

| | <u>Expenses</u> | <u>Program Revenues</u> | | | <u>Governmental</u> |
|---|--------------------------|-----------------------------|---|---|--|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Activities Net Revenue (Expense) and Change in Net Position</u> |
| Functions/Programs: | | | | | |
| Instruction | \$ 5,609,807 | \$ - | \$ 953,534 | \$ - | \$ (4,656,273) |
| Instructional support services | 8,540 | - | - | - | (8,540) |
| Board services | 19,193 | - | - | - | (19,193) |
| General administration - | | | | | |
| District administrative fee | 90,371 | - | - | - | (90,371) |
| Administrative services | 728,022 | - | 20,145 | - | (707,877) |
| Facilities acquisition and construction | 585,002 | - | - | 574,839 | (10,163) |
| Fiscal services | 975,958 | - | - | - | (975,958) |
| Food services | 368,504 | - | 367,895 | - | (609) |
| Central services | 648 | - | - | - | (648) |
| Student transportation | 195,875 | - | - | - | (195,875) |
| Operation of plant | 611,008 | - | - | - | (611,008) |
| Maintenance of plant | 243,362 | - | - | - | (243,362) |
| Community services | 317,452 | - | - | - | (317,452) |
| Interest expense | 1,127,630 | - | - | - | (1,127,630) |
| | <u>1,127,630</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,127,630)</u> |
| Total governmental activities | \$ <u>10,881,372</u> | \$ <u>-</u> | \$ <u>1,341,574</u> | \$ <u>574,839</u> | <u>(8,964,959)</u> |
| General revenues: | | | | | |
| Grants and entitlements | | | | | 8,170,410 |
| Miscellaneous | | | | | <u>1,024,086</u> |
| Total general revenues | | | | | <u>9,194,496</u> |
| Change in net position | | | | | 229,537 |
| Net position, July 1, 2022 | | | | | <u>348,620</u> |
| Net position, June 30, 2023 | | | | | \$ <u>578,157</u> |

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

**Avant Garde Academy of Broward
Balance Sheet - Governmental Funds
June 30, 2023**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|---------------------|
| Assets: | | | | |
| Cash and cash equivalents | \$ 432,793 | \$ - | \$ - | \$ 432,793 |
| Due from other governments | 93,285 | 363,967 | - | 457,252 |
| Due from other funds | <u>363,967</u> | <u>-</u> | <u>-</u> | <u>363,967</u> |
| Total assets | <u>\$ 890,045</u> | <u>\$ 363,967</u> | <u>\$ -</u> | <u>\$ 1,254,012</u> |
| Liabilities: | | | | |
| Due to other funds | <u>\$ -</u> | <u>\$ 363,967</u> | <u>\$ -</u> | <u>\$ 363,967</u> |
| Deferred Inflows: | | | | |
| Unavailable revenues | <u>-</u> | <u>399,370</u> | <u>-</u> | <u>399,370</u> |
| Fund Balances: | | | | |
| Unassigned (deficit) | <u>890,045</u> | <u>(399,370)</u> | <u>-</u> | <u>490,675</u> |
| Total liabilities, deferred inflows and fund balances | <u>\$ 890,045</u> | <u>\$ 363,967</u> | <u>\$ -</u> | <u>\$ 1,254,012</u> |

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

**Avant Garde Academy of Broward
 Reconciliation of the Balance Sheet of the Governmental Funds
 to the Statement of Net Position
 June 30, 2023**

Total Fund Balances - Governmental Funds \$ 490,675

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/amortization, among the assets of the School as a whole.

| | | | |
|---|----|--------------------|------------|
| Cost of capital assets | \$ | 24,406,341 | |
| Accumulated depreciation and amortization | | <u>(1,936,817)</u> | 22,469,524 |

| | |
|--|---------|
| Unavailable revenue in the governmental fund is susceptible to full accrual in the government-wide statements. | 399,370 |
|--|---------|

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.

| | |
|---------------|---------------------|
| Lease payable | <u>(22,781,412)</u> |
|---------------|---------------------|

| | |
|--|---------------------------------|
| Net Position of Governmental Activities | \$ <u><u>578,157</u></u> |
|--|---------------------------------|

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

**Avant Garde Academy of Broward
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2023**

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Project Fund</u> | <u>Total</u> |
|---|-------------------------|-------------------------------------|-------------------------------------|-------------------|
| Revenues: | | | | |
| Federal through state | \$ - | \$ 1,150,132 | \$ - | \$ 1,150,132 |
| State sources | 8,170,410 | - | 574,839 | 8,745,249 |
| Local sources | <u>1,023,477</u> | <u>609</u> | <u>-</u> | <u>1,024,086</u> |
| Total revenues | <u>9,193,887</u> | <u>1,150,741</u> | <u>574,839</u> | <u>10,919,467</u> |
| Expenditures: | | | | |
| Instruction | 4,330,735 | 953,534 | - | 5,284,269 |
| Instructional support services | 8,540 | - | - | 8,540 |
| Board services | 19,193 | - | - | 19,193 |
| General administration - District administrative fee | 90,371 | - | - | 90,371 |
| Administrative services | 707,877 | 20,145 | - | 728,022 |
| Facilities acquisition and construction | 448,004 | - | - | 448,004 |
| Fiscal services | 975,958 | - | - | 975,958 |
| Food services | - | 368,504 | - | 368,504 |
| Central services | 648 | - | - | 648 |
| Student transportation | 195,875 | - | - | 195,875 |
| Operation of plant | 611,008 | - | - | 611,008 |
| Maintenance of plant | 243,362 | - | - | 243,362 |
| Community services | 317,452 | - | - | 317,452 |
| Debt service: | | | | |
| Principal | 201,583 | - | - | 201,583 |
| Interest | <u>552,791</u> | <u>-</u> | <u>574,839</u> | <u>1,127,630</u> |
| Total expenditures | <u>8,703,397</u> | <u>1,342,183</u> | <u>574,839</u> | <u>10,620,419</u> |
| Net change in fund balances | 490,490 | (191,442) | - | 299,048 |
| Fund Balances (Deficit), July 1, 2022 | <u>399,555</u> | <u>(207,928)</u> | <u>-</u> | <u>191,627</u> |
| Fund Balances (Deficit), June 30, 2023 | <u>\$ 890,045</u> | <u>\$ (399,370)</u> | <u>\$ -</u> | <u>\$ 490,675</u> |

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

**Avant Garde Academy of 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, 2023**

| | | |
|--|----|-----------------------|
| Net Change in Fund Balances - Governmental Funds | \$ | 299,048 |
| <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/amortization.</p> | | |
| Cost of capital assets | \$ | 444,518 |
| Provision for depreciation and amortization | | <u>(907,054)</u> |
| | | (462,536) |
| <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> | | |
| | | 191,442 |
| <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>201,583</u> |
| Change in Net Position of Governmental Activities | \$ | <u><u>229,537</u></u> |

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

Note 1 - Organization and Operations

Avant Garde Academy of 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 2014 as a public charter school to serve students from sixth to twelfth grade in Broward County. Avant Garde Academy Foundation, Inc. is a Florida nonprofit corporation organized pursuant to Chapter 617, Florida Statutes and the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members. There were an average of 1,074 students enrolled for the 2022-2023 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, 2023, 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, 2024 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 | 3 years |

The School has recorded right to use lease assets 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 \$ 399,370.

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

- 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 are available to fund future operations.
- 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.

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 9.

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 21, 2023, which is the date the financial statements were available to be issued.

Note 3 - Cash and Cash Equivalents

At June 30, 2023, the carrying amount of the deposits and cash on hand totaled \$ 432,793, with bank balances of \$ 427,462.

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 Other Governments

Due from government agencies at June 30, 2023 consists of amounts due from the District for Title 1 and Elementary and Secondary Emergency Relief (ESSER) Funds.

Avant Garde Academy of Broward
Notes to Basic Financial Statements
June 30, 2023

Note 5 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2023 are as follows:

| | Balance at July 1, 2022 | Additions | Deletions | Balance at June 30, 2023 |
|---|-------------------------------|-------------------------|-----------------|--------------------------------|
| Capital assets being depreciated/ amortized: | | | | |
| Furniture, fixtures and equipment | \$ 96,275 | \$ - | \$ - | \$ 96,275 |
| Books | 202,420 | 444,518 | - | 646,938 |
| Computer equipment | 307,788 | - | - | 307,788 |
| Improvements other than building | 6,024 | - | - | 6,024 |
| Intangible right to use: | | | | |
| Building | <u>23,349,316</u> | <u>-</u> | <u>-</u> | <u>23,349,316</u> |
| Total capital assets being depreciated/amortized | <u>23,961,823</u> | <u>444,518</u> | <u>-</u> | <u>24,406,341</u> |
| Accumulated depreciation and amortization | | | | |
| Furniture, fixtures and equipment | 46,067 | 19,255 | - | 65,322 |
| Books | 73,811 | 203,687 | - | 277,498 |
| Computer equipment | 166,719 | 102,596 | - | 269,315 |
| Improvements other than building | 1,807 | 1,205 | - | 3,012 |
| Intangible right to use: | | | | |
| Building | <u>741,359</u> | <u>580,311</u> | <u>-</u> | <u>1,321,670</u> |
| Total accumulated depreciation/ amortization | <u>1,029,763</u> | <u>907,054</u> | <u>-</u> | <u>1,936,817</u> |
| Net capital assets | <u>\$ 22,932,060</u> | <u>\$ (462,536)</u> | <u>\$ -</u> | <u>\$ 22,469,524</u> |

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

| | |
|---|-------------------|
| Facilities acquisition and construction | \$ 581,516 |
| Instruction | <u>325,538</u> |
| | <u>\$ 907,054</u> |

Note 6 - Long-Term Liabilities

Lease: The School and Avant Garde Academy K-5 Broward (“K-5”) (Note 7) previously entered into a lease for the rental of the facility through June 2064. The total monthly payment amounts to approximately \$ 240,000, of which approximately \$ 111,000 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 most likely exercise four renewal options contained in the lease, which will extend the lease from June 2041 to June 2061. At June 30, 2023, the outstanding balance of this lease amounted to \$ 22,781,412.

Note 6 - Long-Term Liabilities (continued)

The total future minimum payments required under this lease as of June 30, 2023, is as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|----------------------|----------------------|
| 2024 | 211,737 | 1,117,467 | 1,329,204 |
| 2025 | 222,404 | 1,106,800 | 1,329,204 |
| 2026 | 233,612 | 1,095,592 | 1,329,204 |
| 2027 | 245,381 | 1,083,823 | 1,329,204 |
| 2028 | 257,746 | 1,071,458 | 1,329,204 |
| 2029-2033 | 1,167,562 | 4,149,248 | 5,316,810 |
| 2033-2037 | 1,822,462 | 4,823,558 | 6,646,020 |
| 2038-2042 | 2,330,271 | 4,315,749 | 6,646,020 |
| 2043-2047 | 2,979,568 | 3,666,452 | 6,646,020 |
| 2048-2052 | 3,809,790 | 2,836,230 | 6,646,020 |
| 2053-2057 | 4,871,350 | 1,774,670 | 6,646,020 |
| 2058-2061 | 4,629,529 | 459,771 | 5,089,300 |
| | <u>\$ 22,781,412</u> | <u>\$ 27,500,818</u> | <u>\$ 50,282,230</u> |

Changes in the School's long-term liabilities for the fiscal year ended June 30, 2023, are as follows:

| | Balance at July 1, 2022 | Additions | Retirements | Balance at June 30, 2023 | Amount Due Within One Year |
|------------------|-------------------------------|-------------|-------------------|--------------------------------|----------------------------------|
| Lease - building | <u>\$ 22,982,995</u> | <u>\$ -</u> | <u>\$ 201,583</u> | <u>\$ 22,781,412</u> | <u>\$ 211,737</u> |

Note 7 - Related Party

The School shares the same physical location with K-5 (Note 6), as they share common board membership and are departments of the Foundation. The schools share common expenditures, of which have been allocated between the Schools based on student enrollment. As a result, at June 30, 2023, the School had a balance due from K-5 of \$ 733,304. This amount was forgiven and is included within 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, 2023, relating to these contracts were approximately \$ 976,000.

Note 9 - Schedule of State Revenue Sources

The following is a schedule of the School’s state revenue for the year ended June 30, 2023:

| | |
|------------------------------------|---------------------|
| Florida Education Finance Program | \$ 5,153,502 |
| Class size reduction | 1,018,991 |
| Discretionary local effort | 723,906 |
| Capital outlay | 574,839 |
| Supplementary academic instruction | 230,343 |
| ESE guarantee | 207,480 |
| Teacher salary allocation | 271,817 |
| School Recognition Award | 196,547 |
| Transportation | 90,958 |
| Instructional materials | 78,732 |
| Safe schools | 73,883 |
| Reading allocation | 55,807 |
| Mental health | 47,755 |
| Teacher lead program | 17,003 |
| Compression allocation | 3,658 |
| Dual enrollment | <u>28</u> |
| | <u>\$ 8,745,249</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 \$ 57,828 for the year ended June 30, 2023, 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 \$ 399,370 at June 30, 2023. 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.

Note 13 - Sublease Agreement

During the year the School, through the Foundation, entered into a sublease agreement with a for-profit entity (the "Company") through which the School has agreed to lease a portion of its facilities (Note 6) to the Company for an initial term of nine years, in exchange for certain agreed upon facility improvements, the costs of which are to be incurred by the Company. After the initial term, the agreement may be extended for an additional nine years, subject to approval by the School. In exchange for the improvements, the Company will receive access to the facilities at certain times, as specified in the agreement. As of June 30, 2023, the improvement project is in the initial planning stages and is subject to approval by local government agencies.

REQUIRED SUPPLEMENTARY INFORMATION

**Avant Garde Academy of Broward
 Budgetary Comparison Schedule - General Fund
 For the Year Ended June 30, 2023**

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Favorable (Unfavorable) Variance</u> |
|---|--|--------------------------|---|
| Revenues: | | | |
| State sources | \$ 8,029,515 | \$ 8,170,410 | \$ 140,895 |
| Local sources | 171,000 | 1,023,477 | 852,477 |
| | <u>8,200,515</u> | <u>9,193,887</u> | <u>993,372</u> |
| Expenditures: | | | |
| Instruction | 4,520,021 | 4,330,735 | 189,286 |
| Instructional support services | 24,451 | 8,540 | 15,911 |
| Board services | 17,698 | 19,193 | (1,495) |
| General administration - District administrative fee | 98,863 | 90,371 | 8,492 |
| Administrative services | 739,181 | 707,877 | 31,304 |
| Facilities acquisition and construction | - | 448,004 | (448,004) |
| Fiscal services | 1,000,035 | 975,958 | 24,077 |
| Central services | 406 | 648 | (242) |
| Student transportation | 171,339 | 195,875 | (24,536) |
| Operation of plant | 461,602 | 611,008 | (149,406) |
| Maintenance of plant | 245,240 | 243,362 | 1,878 |
| Community services | - | 317,452 | (317,452) |
| Debt service: | | | |
| Principal | 253,842 | 201,583 | 52,259 |
| Interest | 686,313 | 552,791 | 133,522 |
| | <u>8,218,991</u> | <u>8,703,397</u> | <u>(484,406)</u> |
| Total expenditures | <u>8,218,991</u> | <u>8,703,397</u> | <u>(484,406)</u> |
| Net change in fund balance | \$ <u><u>(18,476)</u></u> | \$ <u><u>490,490</u></u> | \$ <u><u>508,966</u></u> |

**Avant Garde Academy of Broward
 Budgetary Comparison Schedule- Special Revenue Fund
 For the Year Ended June 30, 2023**

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Favorable (Unfavorable) Variance</u> |
|---------------------------------|--|----------------------------|---|
| Revenues: | | | |
| Federal through state and local | \$ <u>1,437,081</u> | \$ <u>1,150,741</u> | \$ <u>(286,340)</u> |
| Expenditures: | | | |
| Instruction | 907,670 | 953,534 | (45,864) |
| Administrative services | - | 20,145 | (20,145) |
| Food services | <u>529,411</u> | <u>368,504</u> | <u>160,907</u> |
| Total expenditures | <u>1,437,081</u> | <u>1,342,183</u> | <u>94,898</u> |
| Net change in fund balance | \$ <u><u>-</u></u> | \$ <u><u>(191,442)</u></u> | \$ <u><u>(191,442)</u></u> |

OTHER INDEPENDENT AUDITOR'S REPORTS

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

To the Board of Directors
Avant Garde Academy of 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 and each major fund of Avant Garde Academy of Broward (the "School"), 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, 2023, 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 21, 2023.

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 or significant deficiencies 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 21, 2023

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

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

Report on the Financial Statements

We have audited the financial statements of Avant Garde Academy of Broward (the "School"), 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, 2023, and have issued our report thereon dated September 21, 2023.

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 21, 2023, 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 of Broward and 065791.

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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 21, 2023