

**IMAGINE SCHOOLS -  
PLANTATION CAMPUS  
(A Division of Imagine -  
South Broward, Inc. and a  
Component Unit of the  
School Board of Broward  
County, Florida)**

**Basic Financial Statements  
and Supplementary  
Information**

**June 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Imagine - South Broward, Inc.  
Plantation, Florida

### 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 Imagine Schools - Plantation Campus (the "School"), a component unit of the School Board of Broward County, Florida (the "District") and a Division of Imagine - South Broward, Inc. (the "Charterholder"), 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.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 the 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 and budgetary comparison information 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 29, 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.

September 29, 2023  
Melbourne, Florida

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

## Management's Discussion and Analysis

### Imagine Schools - Plantation Campus

June 30, 2023

As management of Imagine Schools - Plantation Campus (the "School") which is a component unit of the School Board of Broward County, Florida and a Division of Imagine - South Broward, Inc. (the "Charterholder"), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2023 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

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

#### Financial Highlights

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$828,029.
- The School's total net position decreased by \$105,750.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$747,790.
- At the end of the current fiscal year, the unassigned fund balance of the general fund was \$627,303.
- The School recognized lease activity of \$1,065,848 as a reduction to both the leased asset and the lease liability.
- The School recognized revenue related to the Elementary and Secondary School Emergency Relief funds ("ESSER II") in the amount of \$120,487.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

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

## Overview of the Financial Statements (continued)

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

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

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

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

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

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating 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 in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the near-term financing decisions. Both the governmental fund balance sheet and the School's statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains two governmental funds. Information is presented in the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances. The general and capital outlay funds are considered to be the School's major funds.

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

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

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

**Government-Wide Financial Analysis**

As noted previously, net position may serve over time as a useful indicator of the School’s financial position. In the case of the School, assets exceeded liabilities by \$828,029 and \$933,779 as of June 30, 2023 and 2022, respectively.

The School’s net position reflects its net investment in capital assets (e.g., leasehold improvements, furniture, fixtures and equipment, audio visual equipment and information technology equipment). The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending. The net investment in capital assets totaled \$80,239 at June 30, 2023.

A summary of the School’s statement of net position as of June 30, follows:

Imagine Schools - Plantation Campus			
Statement of net position			
Governmental activities			
	2023	2022	Variance
<b>ASSETS</b>			
Current assets	\$ 992,826	\$ 1,043,505	\$ (50,679)
Capital assets, net	1,146,087	1,693,566	(547,479)
Total assets	2,138,913	2,737,071	(598,158)
<b>LIABILITIES</b>			
Current liabilities	777,960	782,440	(4,480)
Noncurrent liabilities	532,924	1,020,852	(487,928)
Total liabilities	1,310,884	1,803,292	(492,408)
<b>NET POSITION</b>			
Net investment in capital assets	80,239	94,794	(14,555)
Unrestricted	747,790	838,985	(91,195)
Total net position	\$ 828,029	\$ 933,779	\$ (105,750)

The overall decrease in current assets is due to reduction in cash balance due to timing offset by increase in grant receivable related to accrual for ESSER II funds. The decrease in capital assets and noncurrent liabilities are mainly due to the implementation of GASB 87 and reporting of the lease asset and lease liability, which both reflect a reduction of \$532,924 in the current year. The increase in current liabilities is due to the recording of short-term portion of the lease liability and an increase of \$35,580 reflecting increased enrollment, more full-time employees in the current year and higher salaries accrued.



## Government-Wide Financial Analysis (continued)

A summary of the School's revenues and expenses for the year ended June 30, follows:

### Imagine Schools - Plantation Campus Statement of activities

	Governmental activities		
	2023	2022	Variance
Revenues:			
Program revenues:			
Charges for services	\$ 203,109	\$ 174,300	\$ 28,809
Operating grants and contributions	9,334	204,014	(194,680)
Capital grants and contributions	218,949	-	218,949
General revenues:			
State passed through school district	2,951,210	2,761,980	189,230
Fundraising	40,955	38,635	2,320
Other revenues	309,457	139,062	170,395
Grant revenue (ESSER II)	149,812	175,433	(25,621)
Total revenues	<u>3,882,826</u>	<u>3,493,424</u>	<u>389,402</u>
Expenses:			
Instruction	2,093,634	1,802,619	291,015
Guidance services	54,748	40,259	14,489
Health services	-	280	(280)
Curriculum development	127,645	92,850	34,795
Board of Directors	33,461	16,500	16,961
School administration	854,807	776,732	78,075
Food services	54,318	49,194	5,124
Central services	472	16,015	(15,543)
Operation of plant	665,898	611,761	54,137
Maintenance of plant	5,916	1,189	4,727
Community service	97,677	78,228	19,449
Total expenses	<u>3,988,576</u>	<u>3,485,627</u>	<u>502,949</u>
Change in net position	(105,750)	7,797	(113,547)
Net position - beginning	933,779	925,982	7,797
<b>NET POSITION - ENDING</b>	<u>\$ 828,029</u>	<u>\$ 933,779</u>	<u>\$ (105,750)</u>

The increase in funding from the state passed through the district is due to an increase in FTE and grant revenue. The increase in charges for services is due to an increase in aftercare enrollment from the post COVID-19 pandemic. The increase in other revenue is due to an increase in field trips and lunch sales. The increase in instruction, is a result of hiring ESE teachers and no longer using contractors for this position and increased student enrollment. The increase in curriculum is a result of the purchase of new support programs and increased costs of annually purchased support materials. The increase in food services is due to an increase in food costs and more students purchasing lunches from higher enrollment. The increase in school administration is due to an increase in teacher salaries from raises. The increase in operations of plant expenses is due to an increase in lease expense. The community service expenses increase is due to an increase in aftercare expense from higher student enrollment.

## **Financial Analysis of the Governmental Funds**

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

**Governmental funds.** The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

The general fund is the main operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the general fund was \$627,303.

## **General Fund Budgetary Highlights**

In the schedule of revenues, expenditures, and changes in fund balances-budget and actual-general fund, we compare the actual revenues and expenditures to the budgeted revenues and expenditures. For the year ended June 30, 2023, the actual revenues and expenditures matched the budgeted amounts with the only exception related to the impact for the GASB Statement No. 87 *Leases* ("GASB 87") implementation. The budgetary information can be found as listed on the table of contents of this report.

## **Capital Assets**

The School's net capital assets for its governmental activities as of June 30, 2023, amounts to \$1,146,087. This includes a reduction of \$532,924 due to the amortization of the leased asset. The capital assets include the activity related to GASB 87 implementation. The School leases its facilities as further described in Note C.

## **Debt Administration**

At June 30, 2023 the School has a long-term lease liability - see Note D for details.

## **Economic Factors and Events Affecting Operations**

A majority of the School's funding is determined by the number of enrolled students. The School is forecasting enrollment to remain at 423 students for the 2023/2024 school year.

## **Request for Information**

This financial report is designed to provide a general overview of the School's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Principal's office at 8200 Peters Road, Plantation, FL 33324.

**Imagine Schools - Plantation Campus**  
**(A Division of Imagine - South Broward, Inc. and a Component Unit of the**  
**School Board of Broward County, Florida)**

**STATEMENT OF NET POSITION**

**June 30, 2023**

	<u>Governmental activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 841,662
Accounts receivable	30,677
Grant receivable (ESSER II)	120,487
Total current assets	<u>992,826</u>
<b>CAPITAL ASSETS</b>	
Leasehold improvements	418
Furniture, fixtures and equipment	52,568
Information technology equipment	27,253
Property under financing lease	1,065,848
Total capital assets, net	<u>1,146,087</u>
Total assets	<u>2,138,913</u>
<b>LIABILITIES</b>	
Accounts payable	1,577
Accrued payroll and related expenses	243,459
Long-term lease liability	
Due within one year	532,924
Due in more than one year	532,924
Total liabilities	<u>1,310,884</u>
<b>NET POSITION</b>	
Net investment in capital assets	80,239
Unrestricted	747,790
Total net position	<u>\$ 828,029</u>

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

**Imagine Schools - Plantation Campus**  
**(A Division of Imagine - South Broward, Inc. and a Component Unit of the**  
**School Board of Broward County, Florida)**

**STATEMENT OF ACTIVITIES**

**For the year ended June 30, 2023**

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Governmental activities:					
Instruction	\$ 2,093,634	\$ 1,880	\$ 9,334	\$ -	\$ (2,082,420)
Guidance services	54,748	-	-	-	(54,748)
Curriculum development	127,645	-	-	-	(127,645)
Board of Directors	33,461	-	-	-	(33,461)
School administration	854,807	-	-	-	(854,807)
Food services	54,318	30,950	-	-	(23,368)
Central services	472	-	-	-	(472)
Operation of plant	665,898	-	-	218,949	(446,949)
Maintenance of plant	5,916	-	-	-	(5,916)
Community service	97,677	170,279	-	-	72,602
Total governmental activities	<u>\$ 3,988,576</u>	<u>\$ 203,109</u>	<u>\$ 9,334</u>	<u>\$ 218,949</u>	<u>\$ (3,557,184)</u>
General revenues:					
					2,951,210
					40,955
					149,812
					309,457
					<u>3,451,434</u>
					<b>(105,750)</b>
					<u>933,779</u>
					<b>NET POSITION - ENDING</b>
					<u>\$ 828,029</u>

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

**Imagine Schools - Plantation Campus**  
**(A Division of Imagine - South Broward, Inc. and a Component Unit of the**  
**School Board of Broward County, Florida)**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2023**

	General fund	Capital outlay fund	Total governmental funds
<b>ASSETS</b>			
Cash	\$ 841,662	\$ -	\$ 841,662
Accounts receivable	30,677	-	30,677
Grant receivable (ESSER II)	120,487	-	120,487
Total assets	\$ 992,826	\$ -	\$ 992,826
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,577	\$ -	\$ 1,577
Accrued payroll and related expenses	243,459	-	243,459
Total liabilities	245,036	-	245,036
<b>FUND BALANCES</b>			
Nonspendable			
Grants receivable	120,487	-	120,487
Unassigned	627,303	-	627,303
Total fund balances	747,790	-	747,790
Total liabilities and fund balances	\$ 992,826	\$ -	\$ 992,826

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

**Imagine Schools - Plantation Campus**  
**(A Division of Imagine - South Broward, Inc. and a Component Unit of the**  
**School Board of Broward County, Florida)**

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

**June 30, 2023**

Fund balances - governmental funds	\$	747,790
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The net position reported for governmental activities in the statement of net position is different because:

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

Leasehold improvements, net	\$	418	
Furniture, fixtures and equipment, net		52,568	
Information technology equipment, net		27,253	
Property under capital lease, net		<u>1,065,848</u>	
Total capital assets, net			1,146,087

Long-term liabilities (lease payable) are not due and payable in the current period and therefore are not reported in the funds.

Long-term lease liability		<u>(1,065,848)</u>	
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Total net position of governmental activities	\$	<u><u>828,029</u></u>
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The accompanying notes are an integral part of this financial statement.

**Imagine Schools - Plantation Campus**  
**(A Division of Imagine - South Broward, Inc. and a Component Unit of the**  
**School Board of Broward County, Florida)**

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

**For the year ended June 30, 2023**

	General fund	Capital outlay fund	Total governmental funds
<b>Revenues</b>			
State passed through district	\$ 2,951,210	\$ 218,949	\$ 3,170,159
Federal passed through district	9,334	-	9,334
ESSER II	149,812	-	149,812
Charges for services	203,109	-	203,109
Fundraising	40,955	-	40,955
Other revenues	309,457	-	309,457
Total revenues	<u>3,663,877</u>	<u>218,949</u>	<u>3,882,826</u>
<b>Expenditures</b>			
Current:			
Instruction	2,088,245	-	2,088,245
Guidance services	54,748	-	54,748
Curriculum development	127,645	-	127,645
Board of Directors	33,461	-	33,461
School administration	844,431	-	844,431
Food services	54,318	-	54,318
Central services	472	-	472
Operation of plant	86,843	-	86,843
Maintenance of plant	5,916	-	5,916
Community service	97,677	-	97,677
Capital outlay	2,345	-	2,345
Debt service:			
Principal	331,022	201,902	532,924
Interest	27,949	17,047	44,996
Total expenditures	<u>3,755,072</u>	<u>218,949</u>	<u>3,974,021</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(91,195)</b>	<b>-</b>	<b>(91,195)</b>
Fund balances - beginning	838,985	-	838,985
<b>FUND BALANCES - ENDING</b>	<u><u>\$ 747,790</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 747,790</u></u>

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

**Imagine Schools - Plantation Campus**  
**(A Division of Imagine - South Broward, Inc. and a Component Unit of the**  
**School Board of Broward County, Florida)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**

**For the year ended June 30, 2023**

Net change in fund balances - governmental funds	\$	(91,195)
<p>The change in net position for governmental activities in the statement of activities is different because:</p> <p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization.</p>		
Capital outlay	\$	2,345
Depreciation expense on capital assets		(16,900)
Lease amortization		<u>(532,924)</u>
		<u>(547,479)</u>
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Principal payment on leased asset		532,924
		<u>532,924</u>
Change in net position of governmental activities	\$	<u><u>(105,750)</u></u>

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



**Imagine Schools - Plantation Campus  
(A Division of Imagine - South Broward, Inc. and a Component Unit of the  
School Board of Broward County, Florida)**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

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

1. Reporting entity

Imagine Schools - Plantation Campus (the "School") is a Division of Imagine - South Broward, Inc. (the "Charterholder"), a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors (the "Board"), which is composed of three members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, which is the School Board of Broward County, Florida (the "District"). The current charter is effective until June 30, 2027 and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

The financial information presented is that of the School only and is not intended to be a complete presentation of the Charterholder or the District. The School's entire workforce is provided by the operating company; therefore, all benefits are provided by the operating company.

2. Government-wide and fund financial statements

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

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

**Imagine Schools - Plantation Campus**  
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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

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

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

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

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

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

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

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

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

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

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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

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

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

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

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

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

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

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

4. Cash

Cash is made up of cash on hand at the School and a checking account held at a financial institution. The School has no cash equivalents.

5. Accounts receivable

Receivables typically include amounts due from other schools, operating company, and other agencies. The School's management determined, based on prior experience, that 100% of receivables are fully collectible. Therefore, no allowance for doubtful accounts has been provided.

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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

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

6. Grant receivable (ESSER II)

The grant receivable is related to the Elementary and Secondary School Emergency Relief Fund ("ESSER II"). During the current year the School submitted \$149,812 request for reimbursement and as of June 30, 2023, \$203,758 was received, which includes the beginning balance of \$174,433. The remaining amount of \$120,487 is presented as grant receivable - see Note E for more details on ESSER II funds.

7. Prepaid expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid expenses in both government-wide and fund financial statements.

8. Capital assets

Capital assets are reported in the governmental columns on the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than \$750 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair values at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In addition, leases that meet the GASB 87 criteria are reflected as leased assets.

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

<u>Asset class</u>	<u>Estimated useful lives (years)</u>
Furniture, fixtures and equipment	7 - 10
Audio visual equipment	7
Information technology equipment	5 - 7
Property under capital lease	3

9. Long-lived assets

The School evaluates its long-lived assets for indicators of possible impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The School compares the carrying amount to estimated future net undiscounted cash flows expected to be generated by such assets. Should an impairment exist, the impairment loss would be measured based on the excess carrying value of the asset over the asset's fair value. Management has determined that there was no impairment for 2023.

**Imagine Schools - Plantation Campus**  
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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

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

10. Noncurrent liabilities

In the government-wide financial statements, long-term debt and other long-term obligations, including leases are reported as liabilities in the statement of net position. In the fund financial statements, governmental funds report the face amount of debt or leases issued as other financing sources and the repayment of debt or lease as debt service expenditures.

11. Revenue sources

Revenues for current operations are received primarily from the State of Florida passed through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent ("FTE") students and related data to the District.

Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program ("FEFP"). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted FTE students reported by the School during the designated FTE student survey periods.

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

Additionally, other revenues may be derived from various fundraising activities and certain other programs. The School's revenue by source is listed in Note F.

12. Unearned revenue

Unearned revenue arises when assets are recognized before revenue recognition has been satisfied. At the end of the current fiscal year, the School had no unearned revenue.

**Imagine Schools - Plantation Campus**  
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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

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

13. Income taxes

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

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

The assessment of the technical merits of a tax position is a matter of judgment. The School believes that all its tax positions are more likely than not to be sustained upon examination.

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

14. Use of estimates

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

15. Fund balance classification

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

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

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

**Imagine Schools - Plantation Campus**  
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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

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

15. Fund balance classification (continued)

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

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

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

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

16. Impact of recently issued accounting principles

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for the School's June 30, 2025 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the School's financial statements.

17. Standards that were adopted in the year

During the year the School was required to implement GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("SBITA"). The impact of the adoption of this statement on the School's financial statements had no material impact, as all material contracts for SBITA related activities are included in the operating agreement. (see Note G-1)

**Imagine Schools - Plantation Campus**  
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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE B - CUSTODIAL CREDIT RISK**

Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The School does not have a formal policy regarding custodial credit risk. The deposits are insured by the FDIC up to \$250,000 per entity. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Deposits Act.

In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the School pursuant to Section 280.08, Florida Statutes. As of June 30, 2023, none of the School's balances held in banks were exposed to custodial credit risk.

**NOTE C - CAPITAL ASSETS**

Changes in capital assets were as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets depreciated and amortized:				
Leasehold improvements	\$ 11,346	\$ -	\$ -	\$ 11,346
Furniture, fixtures and equipment	86,360	2,345	-	88,705
Audio visual equipment	24,457	-	-	24,457
Information technology equipment	98,071	-	-	98,071
	<u>220,234</u>	<u>2,345</u>	<u>-</u>	<u>222,579</u>
Property under financing lease	<u>2,131,696</u>	<u>-</u>	<u>-</u>	<u>2,131,696</u>
Total assets depreciated and amortized	<u>2,351,930</u>	<u>2,345</u>	<u>-</u>	<u>2,354,275</u>
Less accumulated depreciation and amortization:				
Leasehold improvements	9,793	1,135	-	10,928
Furniture, fixtures and equipment	29,235	6,902	-	36,137
Audio visual equipment	24,457	-	-	24,457
Information technology equipment	61,955	8,863	-	70,818
	<u>125,440</u>	<u>16,900</u>	<u>-</u>	<u>142,340</u>
Property under financing lease	<u>532,924</u>	<u>532,924</u>	<u>-</u>	<u>1,065,848</u>
Total accumulated depreciation and amortization	<u>658,364</u>	<u>549,824</u>	<u>-</u>	<u>1,208,188</u>
Total governmental activities capital assets, net	<u>\$ 1,693,566</u>	<u>\$ (547,479)</u>	<u>\$ -</u>	<u>\$ 1,146,087</u>



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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE C - CAPITAL ASSETS (continued)**

Depreciation and amortization expense for the year ended June 30, 2023 was charged to functions of the School as follows:

Instruction	\$	5,389
School administration		10,376
Operation of plant		534,059
		549,824
	\$	549,824

**NOTE D - LONG TERM DEBT - GASB 87 LEASES**

The School has as sublease agreement with Schoolhouse Finance, LLC for the lease of the building for School operations. The Schoolhouse Finance, LLC ( "tenant") entered into the lease agreement with Temple Kol Ami Emanu-El, Inc. ("landlord"). The term of the lease was commencing on August 1, 2012 and continued through June 30, 2017 with two 5 year extension option that extended it until June 30, 2027 (see Note G-2) for details. In accordance with GASB 87 this is being reflected as lease obligation effective for the fiscal year ended June 30, 2023. The discount rate is 5% and will be recognized as interest expense ratably over the term of the lease.

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Due within one year
Long-term lease liability	\$ 1,598,772	\$ -	\$ 532,924	\$ 1,065,848	\$ 532,924
				1,065,848	532,924
				1,065,848	532,924

As of June 30, 2023 the School has the following annual requirements to amortize long term obligations and related interest are as follows:

	Principal	Interest
2024	\$ 532,924	\$ 50,562
2025	532,924	68,037
Total	\$ 1,065,848	\$ 118,599
	1,065,848	118,599

**Imagine Schools - Plantation Campus**  
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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE E - ESSER II**

The Elementary and Secondary School Emergency Relief (ESSER) Fund was established as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. The CARES Act provided direct funding to state education agencies (SEA) and local education agencies (LEA) to address the impact COVID-19 has had, and in certain contexts continues to have, on elementary and secondary schools.

Of the ESSER funding each state received, 90% allocated directly to LEAs through formula grants with up to 10% reserved at the SEA level for statewide activities. In December 2020, ESSER funding was expanded through the enactment of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act.

As with the initial ESSER I Fund established by the CARES Act, the central purpose of the second round of funding (ESSER II) was to provide direct funding to states and LEAs to address the areas most impacted by the disruption and closure of schools due to COVID-19. For the year ended June 30, 2023, the School was reimbursed \$203,758 and submitted for current year reimbursement for \$149,812 and recoded grant receivable for this amount (see Note A-6 for details on grant receivable).

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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE F - CONCENTRATIONS**

Revenue sources

As stated in Note A-11, the School receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources and amounts:

Sources	Amounts
School Board of Broward County:	
Base funding	\$ 2,020,427
Class size reduction	412,146
Discretionary local effort	283,760
Supplemental academic instruction	87,709
ESE guaranteed allocation	76,202
Instructional materials	29,979
Safe schools	28,133
Reading allocation	21,876
Funding compression allocation	1,393
Mental health allocation	18,184
Administration fee withheld	(36,789)
2021-2022 FTE adjustment	(793)
FL Teacher lead program	8,983
Capital outlay revenue	218,949
Total revenue through School Board of Broward County	3,170,159
Charges for services	203,109
Fundraising	40,955
Grant revenue (ESSER II)	149,812
IDEA	9,334
Other revenues	309,457
Total revenues	\$ 3,882,826

**Imagine Schools - Plantation Campus**  
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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE G - COMMITMENTS AND CONTINGENCIES**

1. Operating agreement

The School entered into an agreement with an operating company, who shares common ownership with the Charterholder on June 25, 2012. This agreement calls for an indirect cost allocation equal to 12% of the funding provided by state and local governments. The total indirect allocation charged to operations for the year ended June 30, 2023 totaled \$379,341.

The operating agreement further specifies that the School may request advances to pay for operating expenses of the School referred to as "Operating Capital Advances". The operating company shall be reimbursed for such advances on the first day of each month in which the funds reside in the School's operating account for which not otherwise reserved by the operating budget. Any Operating Capital Advances that remain outstanding as of the first day of the fiscal year immediately succeeding the fiscal year in which the Operating Capital Advances are made shall accrue interest until paid in full at a rate per annum equal to the Prime Rate compounded monthly. The School did not request any Operating Capital Advances for the year ended June 30, 2023.

2. Facilities

The School has committed to pay a facility allocation fee to the operating company for the building where the School is located, which includes both principal and interest. Terms of the agreement require a base annual fee increased annually by stated amounts plus increase fraction allocations and a 5% sublease charge through the end of lease term, June 30, 2022 with a 5 year extension option. The facility use fee fluctuates every year based on the number of students in the School. The School's student enrollment increased every year since inception. Per GASB 87 this liability is recognized as lease obligation and presented in Note D.

3. Legal

The School may be involved in legal actions arising from the normal course of activities and is also subject to periodic audits and inquiries by various regulatory agencies. Management is not aware of any pending or threatened litigation, claims or unasserted claims or assessments that may have a material effect on the School's financial statements.

**NOTE H - RELATED PARTIES**

The School has entered into multiple agreements with the operating company (See Note G). As of the year end no amounts due to operating company.

**Imagine Schools - Plantation Campus**  
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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2023**

**NOTE I - RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial liability insurance. Under the plan for property insurance, the School's liability is \$25,000 per occurrence. There have been no significant reductions in insurance coverage during fiscal year 2023. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

**NOTE J - SUBSEQUENT EVENTS**

The School has evaluated subsequent events through September 29, 2023, the date at which the financial statements were available for issuance and has determined that there are no material subsequent events that would require additional disclosures in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Imagine Schools - Plantation Campus**  
**(A Division of Imagine - South Broward, Inc. and a Component Unit of the**  
**School Board of Broward County, Florida)**

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

**For the year ended June 30, 2023**

	Budgeted amounts			Variance with final budget
	Original	Final	Actual	
<b>Revenue</b>				
State passed through district	\$ 2,873,012	\$ 2,942,227	\$ 2,942,227	\$ -
Other revenue	7,000	327,536	327,536	-
Supplemental fee and other revenue	215,400	394,114	394,114	-
Net school operating revenue	3,095,412	3,663,877	3,663,877	-
<b>Expenses</b>				
Salaries and benefits	2,073,045	2,387,181	2,387,181	-
School services	90,650	171,744	171,744	-
Direct educational expense	78,350	163,724	163,724	-
General and administrative	83,353	223,471	223,471	-
Facility operating expense	48,196	46,179	46,179	-
School operating expenditures	2,373,594	2,992,299	2,992,299	-
Facility use expense	338,627	369,013	369,013	-
Equipment use fee	-	14,419	14,419	-
Indirect costs	370,237	379,341	379,341	-
Total expenses	3,082,458	3,755,072	3,755,072	-
Net change in fund balances	12,954	(91,195)	(91,195)	-
Adjustments to conform with GAAP:				
Capital outlay expenditures	-	-	-	-
Long-term lease liability	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	12,954	(91,195)	(91,195)	-
Fund balances - beginning	838,985	838,985	838,985	-
<b>FUND BALANCES - ENDING</b>	\$ 851,939	\$ 747,790	\$ 747,790	\$ -

See accompanying note to required supplementary information and independent auditor's report.

**Imagine Schools - Plantation Campus**  
**(A Division of Imagine - South Broward, Inc. and a Component Unit of the**  
**School Board of Broward County, Florida)**

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

For the year ended June 30, 2023

	Budgeted amounts			Variance with final budget
	Original	Final	Actual	
<b>Revenue</b>				
State passed through district	\$ 212,300	\$ 218,949	\$ 218,949	\$ -
<b>Expenditures</b>				
Debt service:				
Principal	-	201,902	201,902	-
Interest	-	17,047	17,047	-
Facility use expense	212,300	-	-	-
Total expenditures	212,300	218,949	218,949	-
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund balance - beginning	-	-	-	-
<b>FUND BALANCE - ENDING</b>	\$ -	\$ -	\$ -	\$ -

See accompanying note to required supplementary information.



**Imagine Schools - Plantation Campus  
(A Division of Imagine - South Broward, Inc. and a Component Unit of the  
School Board of Broward County, Florida)**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**June 30, 2023**

**NOTE A - BUDGETARY INFORMATION**

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

Although budgets are adopted for the entire operations, budgetary comparisons have been presented for the general fund and capital outlay fund for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

## **COMPLIANCE INFORMATION**



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

To the Board of Directors  
Imagine - South Broward, Inc.  
Plantation, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Imagine Schools - Plantation Campus (the "School"), a component unit of the School Board of Broward County, Florida and a Division of Imagine - South Broward, Inc. (the "Charterholder"), 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 29, 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 may exist that have not been identified.

## **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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 29, 2023  
Melbourne, Florida

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



## MANAGEMENT LETTER

To the Board of Directors  
Imagine - South Broward, Inc.  
Plantation, Florida

### Report on the Financial Statements

We have audited the financial statements of Imagine Schools - Plantation Campus (the "School"), a component unit of the School Board of Broward County, Florida and a Division of Imagine - South Broward, Inc. (the "Charterholder"), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 29, 2023.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which are dated September 29, 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. The School did not have findings or recommendations in the preceding annual financial audit report.

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the School are Imagine Schools - Plantation Campus, which is a Division of Imagine - South Broward, Inc., 65044.

## **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 to whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of 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 that we 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 items.

## **Purpose of this Letter**

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

September 29, 2023  
Melbourne, Florida

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