

AVENTURA

CITY OF EXCELLENCE SCHOOL

A Special Revenue Fund of the
City of Aventura, Florida



Special Purpose Financial Report

For the Fiscal Year ended
June 30, 2023



Aventura City of Excellence School

(A Special Revenue Fund of the
City of Aventura, Florida)

Basic Financial Statements
and Supplemental Information
For the Year Ended June 30, 2023



Aventura City of Excellence School

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the
City Commission of the City of Aventura
Aventura City of Excellence School
Aventura, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Aventura City of Excellence School (the "School"), a Special Revenue Fund of the City of Aventura, Florida (the "City") 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 the 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 present only the Special Revenue Fund of the City and they do not purport to, and do not, present fairly the financial position of the City as of June 30, 2023 and the changes in its financial position or 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.

CPAs + Trusted Advisors

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, as listed in the table of contents, 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 15, 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 15, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



As management of Aventura City of Excellence School (the "School"), a Special Revenue Fund of the City of Aventura, Florida, 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.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the past and 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 and other supplementary information.

Financial Highlights

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

- The School's net position (deficit) was \$ (853,392) as of June 30, 2023. Of this amount, \$ (2,462,278) represents unrestricted net position (deficit).
- The School's net position decreased by \$ 2,543,931 during the current fiscal year as a result of this year's operations.
- As of June 30, 2023, the School's fund balance (deficit) was \$ (3,002,177), which was an increase of the deficit of \$ 1,584,222 from its prior year. Revenues earned but not received within the School's current fiscal year are considered to be deferred inflows of resources rather than income at the fund level. At June 30, 2023, the School had \$ 728,333 of deferred inflows of resources relating to the ESSER grant that the School's management fully anticipates will be received and recognized as income during the coming fiscal year. Due to the timing differences of when the ESSER grant's revenues and expenditures are being recognized, the School's loss in the current year appears to be higher than anticipated by \$ 728,333, resulting in a temporary reduction of fund balance which will reverse in the coming years.

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. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Basic Financial Statements: The government-wide basic 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 and liabilities, and deferred inflows/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. However, as a governmental entity, the School's activities are not geared toward generating profit as are the activities of commercial entities. Other factors such as School safety and the quality of education, must be considered in order to reasonably assess the School's overall performance.

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 basic 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 10 and 11 of this report.

Fund Basic 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 has only one (1) category of funds - governmental funds.

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 assessing 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 balance provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The School maintains one individual governmental fund. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance.

The governmental fund basic financial statements can be found on pages 12 through 15 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 16 through 23 of this report.

Required Supplementary Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School's adopted budget to actual results.

Government-Wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of financial position. The following table presents a comparative analysis of the condensed government-wide statements of net position:

Aventura City of Excellence School Summary of Net Position (Deficit)				
	June 30, 2023	June 30, 2022	Variance	% Variance
Assets:				
Current assets	\$ 857,410	\$ 1,791,640	\$ (934,230)	-52.14%
Capital assets, net of depreciation	<u>1,608,886</u>	<u>1,682,661</u>	<u>(73,775)</u>	-4.38%
Total assets	<u>2,466,296</u>	<u>3,474,301</u>	<u>(1,008,005)</u>	-29.01%
Liabilities:				
Current liabilities	3,178,363	1,686,101	1,492,262	88.50%
Noncurrent liabilities	<u>141,325</u>	<u>97,661</u>	<u>43,664</u>	44.71%
Total liabilities	<u>3,319,688</u>	<u>1,783,762</u>	<u>1,535,926</u>	86.11%
Net Position:				
Net investment in capital assets	1,608,886	1,682,661	(73,775)	-4.38%
Unrestricted (deficit)	<u>(2,462,278)</u>	<u>7,878</u>	<u>(2,470,156)</u>	-31355.11%
Total net position (deficit)	<u>\$ (853,392)</u>	<u>\$ 1,690,539</u>	<u>\$ (2,543,931)</u>	-150.48%

The decrease in current assets from the prior year reflect the decrease in accounts receivable. The large balance in the prior year was primarily related to expected ESSER grant reimbursement revenue. In FY 2022/23 the School received a significant portion of this revenue. The decrease in capital assets is the result of the current year depreciation as there were minimal capital asset additions during the year.

The increase in current liabilities is primarily the result of the cash advance from the City of Aventura in order to support all expenditures incurred by the School to be reimbursed by ESSER grant funding. The decrease in total net position is the result of an operational loss related to the significant costs incurred in order to rebound from the negative impact experienced from the COVID-19 pandemic. The School's goal was to ensure students did not fall behind in their education.

Government-Wide Financial Analysis (continued)

The following table presents comparative information of the condensed government-wide statements of changes in net position:

Aventura City of Excellence School Summary of Changes in Net Position (Deficit)				
	June 30, 2023	June 30, 2022	Variance	% Variance
Revenues:				
General revenues	\$ 8,576,473	\$ 8,555,255	\$ 21,218	0.25%
Program revenues:				
Charges for services	500,687	269,187	231,500	86.00%
Operating grants and contributions	3,362,358	1,727,529	1,634,829	94.63%
Capital grants and contributions	680,491	664,533	15,958	2.40%
Total revenues	<u>13,120,009</u>	<u>11,216,504</u>	<u>1,903,505</u>	16.97%
Expenses:				
Instruction	10,936,456	8,050,228	2,886,228	35.85%
Instructional media services	186,141	122,336	63,805	52.16%
Operation of facility	2,563,795	2,325,548	238,247	10.24%
School administration	1,607,839	1,475,589	132,250	8.96%
Pupil transportation services	369,709	244,500	125,209	51.21%
Community services	-	32,265	(32,265)	-100.00%
Total expenses	<u>15,663,940</u>	<u>12,250,466</u>	<u>3,413,474</u>	27.86%
Change in net position (deficit)	<u>\$ (2,543,931)</u>	<u>\$ (1,033,962)</u>	<u>\$ (1,509,969)</u>	146.04%

- General revenues remained relatively consistent in comparison to prior year.
- Charges for services increased mostly due to revenue generated by the School's lunch program. The free lunch program offered in the prior year was discontinued which led to higher participation rates in FY 2022/23.
- Operating grants and contributions increased as a result of ESSER grant revenue as well as funding received from Miami-Dade County School Board from the referendum settlement and FY 2022/23 referendum stipends.
- Total expenses increased by approximately 27.86% due to the following:
 - Instruction and Instructional media services – The majority of the increase is due to stipends that were paid to the teachers as a result of the School obtaining a referendum settlement from the Miami-Dade County School Board. In addition, the School paid bonuses to teachers funded by ESSER grant proceeds.
 - Operation of facility – Repair and maintenance costs increased by approximately \$124,000 and Food Services increased by approximately \$70,000.
 - School administration – In FY 2022/23, the School resumed student field trips and after school programs which resulted in increased costs of approximately \$100,000. Staff training also increased by approximately \$41,000.
 - Pupil transportation services – Transportation costs increased due to an increase in the rate charged by the vendor and the need for additional routes.
 - Community Services – These expenses decreased because the City assumed responsibility for the School's after school day care.

Financial Analysis of the School's Funds

As noted earlier, the School uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. 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, including assigned for subsequent year's budget, may serve as a useful measure of the School's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2022/2023 the School's governmental fund reported an ending fund balance (deficit) of \$ (3,002,177). The fund balance deficit increased by \$ 1,417,955 from the prior year. The decrease in fund balance is a result of having to defer certain ESSER revenues that were not received within the period of availability. The fund balance deficit will be fully eliminated when the revenue is collected.

Budgetary Highlights

The 2022/2023 school year represents the 21th year of operations for ACES. During the past year, the budget was amended by \$ 4,296,200. The increase was necessary due to the additional ESSER and referendum funding primarily that was unknown at the time the original budget was prepared. The additional ESSER funding was primarily used to hire additional teachers and staff as well as provide on-line and in person tutoring. The referendum funding was used to provide stipends to instructional personnel as well as fund security personnel for the current school year and previous years (FY 19/20, 20/21 and 21/22).

Capital Assets and Debt Administration

As of June 30, 2023, the School had an investment in capital assets of \$ 1,608,886. This amount is net of accumulated depreciation of \$ 2,000,882. This amount represents a net decrease of \$ 73,775 or approximately 4%.

The School has no outstanding debt.

Economic Factors

Facts, decisions or conditions that are expected to have a significant effect on the financial position or results of operations of the School in fiscal year 2023/2024 include the following:

- For the last three years, COVID-19 has caused major disruption in international and U.S. economies and markets. School operations have returned to a "traditional" environment; however, the pandemic had a significant impact on learning worldwide. In response to this, the US Department of Education awarded funding to states and school districts through the Elementary and Secondary School Emergency Relief (ESSER) Fund to help schools address the negative impact caused by the pandemic. The School continues to utilize this funding to invest in technology, pay additional teachers and staff to ensure students have the resources necessary to help bridge the gap through tutoring, summer learning and afterschool programs. ESSER grant related revenue and expenditures are included in the FY 2023/24 budget.
- Teacher salary increases reflect the previously adopted performance pay plan in accordance with Florida Statute 1012.22, rewarding teachers who are rated effective and highly effective.

- The 2023/2024 operating budget increased by \$ 1,694,893 or 14.5%, primarily due to the increase in personnel services. The school budgeted \$ 950,000 for Referendum revenue from Miami-Dade County and \$ 190,000 for the Florida School Recognition Program Awards (A+ Revenues) to offset most of the increase. The remaining increase was due to increases in insurance, utility and transportation costs which will be offset by a transfer from the City. FTE revenues are driven by a net enrollment, which remained the same as prior year, at 1,032. The budget also provides funding for lease payments to the City to satisfy long-term financing costs related to the construction of the elementary school wing. However, the important factor remains the same as the prior year, which is the actions required to continue to respond to the COVID-19 pandemic through ESSER grant funding.

Requests for Information

This financial report is designed to provide a general overview of the Aventura City of Excellence School's finances for all those with an interest. If you should have any questions pertaining to the information presented in this report or would like additional information, please contact the City of Aventura's Finance Director at the City of Aventura, 19200 West Country Club Drive, Aventura, Florida 33180.

BASIC FINANCIAL STATEMENTS

Aventura City of Excellence School
Statement of Net Position (Deficit)
June 30, 2023

	<u>Governmental Activities</u>
Current Assets:	
Cash and cash equivalents	\$ 400
Due from other governments	781,614
Prepaid expenses	<u>75,396</u>
Total current assets	<u>857,410</u>
Noncurrent Assets:	
Capital assets, net of accumulated depreciation	<u>1,608,886</u>
Total assets	<u>2,466,296</u>
Current Liabilities:	
Accounts payable	212,822
Accrued expenses	655,454
Due to City	2,262,978
Compensated absences	<u>47,109</u>
Total current liabilities	<u>3,178,363</u>
Noncurrent Liabilities:	
Compensated absences	<u>141,325</u>
Total noncurrent liabilities	<u>141,325</u>
Total liabilities	<u>3,319,688</u>
Net Position (Deficit):	
Net investment in capital assets	1,608,886
Unrestricted (deficit)	<u>(2,462,278)</u>
Total net position (deficit)	\$ <u><u>(853,392)</u></u>

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

Aventura City of Excellence School
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Position
	<u>Expenses</u>				
Functions/Programs:					
Instruction	\$ 10,936,456	\$ 144,513	\$ 3,032,996	\$ -	\$ (7,758,947)
Instructional media services	186,141	-	-	-	(186,141)
Operation of facility	2,563,795	143,349	203,782	680,491	(1,536,173)
School administration	1,607,839	-	-	-	(1,607,839)
Pupil transportation services	369,709	-	125,580	-	(244,129)
Community services	-	212,825	-	-	212,825
Total governmental activities	\$ <u>15,663,940</u>	\$ <u>500,687</u>	\$ <u>3,362,358</u>	\$ <u>680,491</u>	<u>(11,120,404)</u>
General revenues:					
FTE nonspecific revenues					8,277,692
Investment earnings					7,229
Miscellaneous income					141,552
Other revenues					<u>150,000</u>
Total general revenues					<u>8,576,473</u>
Change in net position (deficit)					(2,543,931)
Net position, July 1, 2022					<u>1,690,539</u>
Net position (deficit), June 30, 2023					\$ <u>(853,392)</u>

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

**Aventura City of Excellence School
Balance Sheet - Governmental Fund
June 30, 2023**

	General Fund
Assets:	
Cash and cash equivalents	\$ 400
Due from other governments	781,614
Prepaid expenditures	<u>75,396</u>
Total assets	\$ <u><u>857,410</u></u>
Liabilities:	
Accounts payable	\$ 212,822
Accrued expenses	655,454
Due to City	<u>2,262,978</u>
Total liabilities	<u>3,131,254</u>
Deferred Inflows of Resources:	
Unavailable revenues	<u>728,333</u>
Fund Balance (Deficit):	
Nonspendable	75,396
Unassigned (deficit)	<u>(3,077,573)</u>
Total fund balance (deficit)	<u>(3,002,177)</u>
Total liabilities, deferred inflows of resources and fund balance	\$ <u><u>857,410</u></u>

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

**Aventura City of Excellence School
Reconciliation of the Balance Sheet - Governmental
Fund to the Statement of Net Position (Deficit)
June 30, 2023**

Total Fund Balance (Deficit) - Governmental Fund \$ (3,002,177)

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

Capital assets used in governmental activities are not financial resources; and therefore, are not reported in the governmental funds:

Cost of capital assets	\$	3,609,768		
Accumulated depreciation		<u>(2,000,882)</u>		1,608,886

Unavailable revenue in the governmental fund is susceptible to full accrual in the government-wide statements.	728,333
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Long-term liability which is not due and payable in the current period; and therefore, is not reported in the governmental fund:

Compensated absences	<u>(188,434)</u>
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Net Position (Deficit) of Governmental Activities	\$ <u><u>(853,392)</u></u>
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The accompanying notes to basic financial statements are an integral part of these statements.

**Aventura City of Excellence School
Statement of Revenues, Expenditures and
Changes in Fund Balance - Governmental Fund
For the Year Ended June 30, 2023**

	General Fund
Revenues:	
Federal sources	\$ 1,213,401
State sources	9,203,365
Local sources	3,689,996
Investment earnings	7,229
Total revenues	14,113,991
Expenditures:	
Instruction	10,936,456
Instructional media services	186,141
Operation of facility	2,147,258
School administration	1,549,620
Pupil transportation services	369,709
Capital outlay	342,762
Total expenditures	15,531,946
Net change in fund balance	(1,417,955)
Fund Balance (Deficit), July 1, 2022	(1,584,222)
Fund Balance (Deficit), June 30, 2023	\$ <u><u>(3,002,177)</u></u>

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

**Aventura City of Excellence School
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance -
Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2023**

Net Change in Fund Balance - Governmental Fund \$ (1,417,955)

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities these costs are allocated over their estimated useful lives as a provision for depreciation:

Capital outlay	\$	50,466	
Current year provision for depreciation		<u>(124,241)</u>	(73,775)

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. (993,982)

Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:

Change in compensated absences		<u>(58,219)</u>	
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Change in Net Position (Deficit) of Governmental Activities \$ (2,543,931)

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

Note 1 - Organization and Operations

Aventura City of Excellence School (the "School"), is a special revenue fund of the financial statements of the City of Aventura, Florida (the "City"). The School commenced operations in August 2003 in the City and offers classes for kindergarten through eighth grade with an enrollment of 1,034 for the fiscal year ended June 30, 2023. The School is funded from public funds based on enrollment and can also be eligible for grants in accordance with state and federal guidelines, including food service and capital outlay. The School can accept private donations and the City can incur debt for the operation of the School.

Note 2 - Summary of Significant Accounting Policies

A summary of the School's significant accounting policies is as follows:

Reporting entity: The School operates under a charter granted by the sponsoring school district, the Miami-Dade County Public School District (the "District"). The current charter is effective until June 30, 2033 but provides for renewals of up to 5 years by mutual agreement of both parties. In 2005, the School amended the charter to include grades six through eight. In 2012, the School amended the charter to increase the School capacity from 972 to 1032 over five years commencing with the fiscal year 2012/2013. 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 for good cause as defined.

The School is owned and operated by the City, is part of the City's government and is not a separate legal entity or otherwise organized apart from the City. The City was incorporated in November 1995. The City operates under a Commission-Manager form of government. In accordance with Chapter 10.850, *Rules of the Auditor General of the State of Florida*, the School is required to prepare special purpose financial statements. Section 10.855(4) states that the special purpose financial statements should present the charter school's financial position including the charter school's current and capital assets and current and long-term liabilities, and net assets/position; and the changes in financial position. The financial statements contained herein present only the operations of the School and do not purport to, and do not, present the financial position and changes in financial position of the City. Only capital assets acquired with School revenues are reported. The facility used by the School is owned by the City and the capital assets and related debt for the facilities are not included in this report.

Basis of presentation: Based on the guidance presented in the American Institute of Certified Public Accountants, *Audit and Accounting Guide – Audits of State and Local Governments* and the provisions of Section 228.056, Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

Government-wide financial statements: The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the School's activities are classified as governmental activities.

In the government-wide statement of net position, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all current and noncurrent assets and all current and noncurrent liabilities. The School's net position is reported in three (3) categories: investment in capital assets; restricted; and unrestricted, as applicable.

Note 2 - Summary of Significant Accounting Policies (continued)

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The net costs, by function, are supported by general revenues. The statement of activities reduces gross expenses by related program revenues. Program revenues must be directly associated with the function. Operating grants include operating specific and discretionary grants while the capital grants column reflects capital-specific grants.

Fund financial statements: The School's accounts are organized on the basis of funds. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures.

The Charter School operating fund is a governmental fund type and is used to account for all of the School's financial transactions.

Measurement focus and basis of accounting: Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statement uses the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on 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.

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). Revenues susceptible to accrual include FTE nonspecific revenue, transportation funds, capital grant funds, operating grants and contributions and investment earnings. Intergovernmental revenues are recognized when all eligibility requirements have been met, if available. "Measurable" means the amount of the transaction can be determined and "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 two (2) months of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred. However, expenditures related to compensated absences are recorded only when paid from expendable available financial resources.

Cash and cash equivalents: The School's cash and cash equivalents are maintained by the City in a pooled account for all funds. This enables the City to invest large amounts of idle cash for short periods of time and to optimize earnings potential. Cash and cash equivalents represent the amount owned by the Charter School operating fund. The City is responsible for all risks related to the School's cash and cash equivalents

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

Capital assets: Capital assets purchased or acquired with an original cost of \$ 5,000 or more are capitalized at historical cost or estimated historical cost and are reported in the government-wide financial statement. Donated capital assets 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 capital assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Note 2 - Summary of Significant Accounting Policies (continued)

Depreciation on leasehold improvements and equipment is provided on the straight-line basis over the respective estimated useful lives ranging from 15 to 25 years and 3 to 10 years, respectively.

Within governmental funds, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported within the governmental fund financial statements.

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.

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 one item that qualifies for reporting in this category. The governmental fund reports unavailable revenues that are deferred and recognized as an inflow of resources in the period that the amounts become available.

Unearned revenue: Unearned revenue arises when the School receives resources before it has a legal claim to them.

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

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

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

- Nonspendable - this classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies prepaid items 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.

Note 2 - Summary of Significant Accounting Policies (continued)

- 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 City Commission (the highest level of decision making authority). The committed amount cannot be used for any other purpose unless the City Commission removes or changes the commitment through formal action.
- Assigned - this classification includes amounts that the School intends to use for a specific purpose but they are neither restricted nor committed. Assignments can be made by the City Manager, which the City Commission Members, by resolution, delegated such authority at their direction. The School classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.
- 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.

When the School incurs expenditures for which restricted or unrestricted fund balance is available, the School would consider restricted funds to be spent first unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. 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.

Encumbrances: Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration.

Encumbrances are recorded at the time a purchase order or other commitment is entered into. Encumbrances outstanding at year-end represent the estimated amount of expenditures which would result if unperformed purchase orders and other commitments at year-end are completed. Encumbrances lapse at year-end; however, the City and School generally intend to honor purchase orders and other commitments in process. As a result, encumbrances outstanding at year-end are re-appropriated in the next fiscal year and are therefore presented as committed or assigned fund balance for the subsequent year.

Other post-employment benefits: The City provides post-employment healthcare coverage, including medical and dental benefits, to eligible individuals which consist of an implicit subsidy. The estimated liability is recorded in the financial statements of the City. No amount is allocated to the School's primary operating fund since the amount is deemed immaterial by management as of June 30, 2023.

Note 2 - Summary of Significant Accounting Policies (continued)

Compensated absences: The School's sick leave policy permits employees to accumulate earned but unused sick pay benefits. Upon termination, sick pay is paid out between 0-100% based on length of service, and other applicable limits. The School's vacation policy is that earned vacation is cumulative although limited to certain maximums based on length of service.

Accumulated compensated absences are recorded in the government-wide financial statements when earned. Expenditures for accumulated compensated absences have been recorded in the governmental fund only if they have matured, (e.g., resulting from employee resignations, terminations or retirements).

State funding (primary source of revenue): Student funding is provided by the State of Florida through the School Board of Miami-Dade County, Florida. In accordance with the Charter Agreement, the School Board retains 2% as an administrative fee. This funding is received on a pro rata basis over the twelve-month period and is adjusted for changes in full-time equivalent student population. After review and verification of Full-Time Equivalent ("FTE") reports and supporting documentation, the Florida Department of Education may adjust subsequent fiscal period allocations of FTE funding for prior year's errors disclosed by its review as well as to prevent the statewide allocation from exceeding the amount authorized by the State Legislature. Normally, such adjustments are reported in the year the adjustments are made.

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

Subsequent events: Subsequent events were evaluated by management through September 15, 2023, the date the financial statements were available for issuance.

Note 3 - Cash and cash Equivalents

As discussed in Note 2, the School's cash and cash equivalents are maintained by the City in a pooled account for all funds.

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 reporting requirements of the qualified public depositor to the Treasurer is defined by the 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. They are covered by the collateral pool, as the School has identified itself as a public entity at June 30, 2023.

Note 4 - Capital Assets

A summary of changes in governmental capital assets is as follows:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Leasehold improvements	\$ 2,871,738	\$ -	\$ -	\$ 2,871,738
Equipment	687,564	50,466	-	738,030
Less: accumulated depreciation	<u>1,876,641</u>	<u>124,241</u>	<u>-</u>	<u>2,000,882</u>
	<u>\$ 1,682,661</u>	<u>\$ (73,775)</u>	<u>\$ -</u>	<u>\$ 1,608,886</u>

The provision for depreciation for the year ended June 30, 2023 amounted to approximately \$ 124,000. The School allocated depreciation to the operation of the facility.

Note 5 - Long-Term Liabilities

The following is a summary of long-term liabilities for fiscal year ended June 30, 2023:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023	Amount Due Within One Year
Compensated absences	<u>\$ 130,215</u>	<u>\$ 92,842</u>	<u>\$ (34,623)</u>	<u>\$ 188,434</u>	<u>\$ 47,109</u>

Note 6 - Commitments and Contingencies

Management contract

The City has a contract with Charter Schools USA, Inc. ("CSUSA") for administrative and educational management services for the operations of the School. All staff of the School, except the principal, two assistant principals (dean of discipline and operations and dean of curriculum) and a custodian, are employees of CSUSA. Total fees paid to the management company for fiscal year 2022/2023 were \$ 306,000. The majority of other reimbursed expenditures by the City to CSUSA relate to teachers' salaries and benefits.

The current agreement with CSUSA expired on June 30, 2023. As of September 15, 2023, there is a negotiation pending for a contract extension. The monthly fee will remain at \$ 25,500 until a contract is finalized.

Grant funding

Amounts received or receivable from grantor agencies are subject to audit, which may result in adjustments by Federal and/or State grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the School. The amount, if any, of such expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the School expects such amounts, if any, to be immaterial.

Note 7 - Related Party Transactions

The School's operations are located at a facility that is owned by the City. In September 2002, the City entered into a bond indenture agreement with the Florida Intergovernmental Finance Commission through an interlocal governmental agreement.

As a result, the City issued \$ 12,610,000 in Series 2002 Revenue Bonds to finance the acquisition of land and the construction of the charter school as well as the construction of a community recreation center. Approximately \$ 6,650,000 of the bond issue was related to the acquisition, construction and equipping of the School facility. In fiscal year 2012, the City issued \$ 9,885,000 in Series 2012 Refunding Revenue Bonds at a current rate of 2.65% to refund the then outstanding balance of the Series 2002 Revenue Bonds. Approximately \$ 5,213,000 of the Series 2012 Refunding Revenue Bonds relate to that portion of the original Series 2002 Revenue Bonds that was utilized for the acquisition, construction and equipping of the School facility. The City refunded the Series 2002 Revenue Bonds (fully defeased) to reduce its total debt service payments through maturity (2027) by approximately \$ 3,810,000.

The School is leasing its premises from the City under an operating lease agreement, which expired June 30, 2023, but was renewed for an additional year. The lease can renew each year as long as the School operates pursuant to the Charter issued by the School Board of Miami-Dade County. The lease amount is determined annually.

Total lease expense for the fiscal year ended June 30, 2023 totaled \$ 444,000. Future minimum payments under the current lease, which expires on June 30, 2024, total \$ 444,000.

Note 8 - Risk Management

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions, employee health, workers' compensation and natural disasters for which the City carried commercial insurance. Settlement amounts have not exceeded insurance coverage for the past three (3) fiscal years. In addition, there were no reductions in insurance coverage from those in the prior year.

Note 9 - Defined Contribution Plans

The City is a single employer that contributes to four (4) defined contribution pension plans based on employee classification created in accordance with Internal Revenue Code Section 401 (a). The employees of the School are eligible to participate in three (3) of the City's defined contribution pension plans. The School has three (3) full-time employees who are eligible to participate in these plans. Under these plans, the City contributes amounts ranging from 7% to 15% of employee salary for each of the three (3) School employees.

The City's contributions for the Principal vest in the year they are contributed. The City's contributions to the other employees vest beginning after one (1) year of service through year five (5) in 20% increments. Participants are not permitted to make contributions during the year. The City made plan contributions for these covered employees of approximately \$ 31,000 during the year. Plan provisions and contribution requirements may be amended by the City Commission.

In addition, the City provides to these full-time employees a deferred compensation plan under Section 457 of the Internal Revenue Code. Under this program, employees may voluntarily elect to defer a portion of their salary to future years; with no required contributions from the City.

Both programs are administered by ICMA Retirement Corp. The City does not exercise any control or fiduciary responsibility over the Plans' assets.

Note 10 - Fund Balance Deficit (Compiled)

At the end of fiscal year 2022/23 the School reported a deficit fund balance of \$3,002,177. The majority of this deficit is caused by unreimbursed ESSER grant funded expenditures.

The COVID-19 pandemic had a significant impact on learning worldwide. In response to this, the US Department of Education awarded funding to states and school districts through the Elementary and Secondary School Emergency Relief (ESSER) Fund in three tranches between March 2020 and March 2021 to help schools address the negative impact caused by the pandemic. The amounts allocated to ACES is as follows:

ESSER 1	Funded by the Education Stabilization Fund through the Coronavirus Aid Relief, and Economic Security (CARES) Act for the Elementary and Secondary School Emergency Relief Fund (ESSER) Fund.	\$ 314,694
ESSER 2	Funded by the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021 for the Elementary and Secondary School Emergency Relief Fund (ESSER) Fund.	1,434,763
ESSER 3	Funded by the American Rescue Plan Act (ARPA) for the Elementary and Secondary School Emergency Relief Fund (ESSER) Fund.	<u>3,152,027</u>
		<u>\$ 4,901,484</u>

School management utilized this funding over the last three years and ensured all expenditures were made in accordance with the ESSER allowable expenditure guidance. Schools are responsible for submitting all expenditures and related documentation to the County for reimbursement. The reimbursement process has been very slow leaving a large amount yet to be received.

Over the past three years the School expended a significant amount in response to the negative impact caused by the Coronavirus pandemic. In FY 2020/21, the School invested in technology to facilitate remote learning, provide online teaching platforms and paid additional wages to provide tutoring. COVID-19 surges throughout the year led to staff shortages, absenteeism, lost instructional time and most importantly, test scores began to drop compared to pre-pandemic scores. In response to this, in FY 2021/22 and FY 2022/23, the School hired 14 additional teachers and staff to ensure students had the resources necessary to help bridge the gap through tutoring, summer learning and after-school programs. The offer letters for these positions state the position is grant funded. So once ESSER funds are depleted, the School may terminate contracts, if needed. In addition, the investment in technology for remote learning continued.

As we navigate through the ESSER grant reimbursement process, the City is fully committed to providing cash advances to ACES to ensure there is no lapse in the resources available that ACES students need. During the year the City advanced the School \$1,799,401. And in the upcoming FY 2023/24, the City budgeted for a \$1,081,371 transfer to ACES. The School expects to recoup the majority of the fund deficit through the collection of ESSER grants. The School is eligible for a total of \$4,901,484 in grant funding and has collected \$1,126,179 in grant funds to date.

REQUIRED SUPPLEMENTARY INFORMATION



Aventura City of Excellence School
Schedule of Revenues and Expenditures -
Budget and Actual - General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Federal sources	\$ 1,228,878	\$ 1,307,258	\$ 1,213,401	\$ (93,857)
State sources	8,995,496	9,279,891	9,203,365	(76,526)
Local sources	1,085,000	5,018,425	3,689,996	(1,328,429)
Investment earnings	2,000	2,000	7,229	5,229
Total revenues	<u>11,311,374</u>	<u>15,607,574</u>	<u>14,113,991</u>	<u>(1,493,583)</u>
Expenditures:				
Current:				
Instruction	7,480,492	11,076,844	10,936,456	140,388
Instructional media services	113,230	198,230	186,141	12,089
Operation of facility	1,880,249	2,136,864	2,147,258	(10,394)
School administration	1,415,716	1,569,449	1,549,620	19,829
Pupil transportation services	279,842	379,842	369,709	10,133
Community services	36,000	-	-	-
Capital outlay	450,500	591,000	342,762	248,238
Total expenditures	<u>11,656,029</u>	<u>15,952,229</u>	<u>15,531,946</u>	<u>420,283</u>
Excess (deficiency) of revenues over expenditures	<u>(344,655)</u>	<u>(344,655)</u>	<u>(1,417,955)</u>	<u>(1,073,300)</u>
Other Financing Sources (Uses):				
Appropriated fund balance	<u>344,655</u>	<u>344,655</u>	<u>-</u>	<u>(344,655)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,417,955)</u>	<u>\$ (1,417,955)</u>

Note 1 - Budgets and Budgetary Accounting

The School formally adopted a budget for the year ended June 30, 2023. Budgeted amounts may be amended by resolution or ordinance of the City Commission. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. A comparison of the actual results of operations to the budgeted amounts for the operating fund is presented as required supplementary information.

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 THE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of the
City Commission of the City of Aventura
Aventura City of Excellence School
Aventura, 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 the major fund of the Aventura City of Excellence School (the "School") (a Special Revenue Fund of the City of Aventura, 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 15, 2023.

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 were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 15, 2023

MANAGEMENT LETTER IN ACCORDANCE WITH THE
RULES OF THE AUDITOR GENERAL OF THE
STATE OF FLORIDA

Honorable Mayor and Members of the
City Commission of the City of Aventura
Aventura City of Excellence School
Aventura, Florida

Report on the Financial Statements

We have audited the financial statements of the Aventura City of Excellence School (the "School") (a Special Revenue Fund of the City of Aventura, Florida), as of and for the year ended June 30, 2023, and have issued our report thereon dated September 15, 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 15, 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 and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Aventura City of Excellence School and 0950.

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 conditions 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. See Note 10 for additional information.

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 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, City Commission, 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 15, 2023



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