

**IMAGINE CHARTER
SCHOOL AT WESTON
(A Division of Learning
Excellence Foundation of
West Broward County, 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
Learning Excellence Foundation of West Broward County, Inc.
Weston, 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 Charter School at Weston (the "School"), a component unit of the School Board of Broward County, Florida (the "District") and a Division of Learning Excellence Foundation of West Broward County, 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.

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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 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 Charter School at Weston

June 30, 2023

As management of Imagine Charter School at Weston (the "School"), a Division of Learning Excellence Foundation of West Broward County, Inc. (the "Charterholder)," and a component unit of the School Board of Broward County, Florida (the "District"), 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.

Because 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 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 \$2,117,244 (net position).
- The School's total net position increased by \$114,215.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$1,155,033.
- At the end of the current fiscal year, the unassigned fund balance of the general fund was \$374,972.
- The School recognized lease activity of \$1,162,683 as a reduction of 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 \$266,637.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

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

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

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 and administration 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 "District"). The District includes the operations of the School in their operational results.

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the 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 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances. The general fund and capital outlay fund are considered to be major funds.

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

The School adopts an annual appropriated budget for its entire operations. Budgetary comparison schedules and a note 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 \$2,117,244 and \$2,003,029 (net position) respectively, as of June 30, 2023 and 2022.

The School’s net position reflects its net investment in capital assets (e.g., buildings and fixed equipment, furniture, fixtures and equipment, information technology equipment, audio visual equipment, computer software, and improvements other than building). 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 \$962,211 at June 30, 2023.

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

Imagine Charter School at Weston
Statement of Net Position

	Governmental Activities		
	2023	2022	Variance
ASSETS			
Current assets	\$ 2,292,079	\$ 2,290,993	\$ 1,086
Capital assets, net of accumulated depreciation and amortization	31,191,978	32,190,574	(998,596)
Total assets	33,484,057	34,481,567	(997,510)
LIABILITIES			
Current liabilities	2,872,032	2,821,074	50,958
Non-current liabilities	28,494,781	29,657,464	(1,162,683)
Total liabilities	31,366,813	32,478,538	(1,111,725)
NET POSITION			
Net investment in capital assets	962,211	798,124	164,087
Unrestricted	1,155,033	1,204,905	(49,872)
Total net position	\$ 2,117,244	\$ 2,003,029	\$ 114,215

The decrease in capital assets as well as noncurrent liabilities is mainly due to the current year amortization of the leased asset and payment of the lease liability under GASB 87. Current liabilities changed due to the short term portion of the lease.

Government-Wide Financial Analysis (continued)

Imagine Charter School at Weston Statement of Activities

	Governmental Activities		
	2023	2022	Variance
Revenues:			
Program revenues:			
Charges for services	\$ 1,112,188	\$ 1,101,515	\$ 10,673
Operating grants and contributions	477,691	487,945	(10,254)
General revenues:			
State passed through school district	9,014,000	8,472,716	541,284
Other revenues	482,447	342,731	139,716
Total revenues	<u>11,086,326</u>	<u>10,404,907</u>	<u>681,419</u>
Expenses:			
Instruction	5,434,088	4,685,367	748,721
Guidance services	73,394	15,125	58,269
Health services	374	535	(161)
Media services	-	1,808	(1,808)
Curriculum development	83,199	81,426	1,773
Staff development	4,120	3,910	210
Board of Directors	24,500	42,715	(18,215)
Administration	1,561,963	1,399,366	162,597
Food services	228,940	363,299	(134,359)
Central services	85,081	189,931	(104,850)
Transportation	247,499	185,103	62,396
Operation of plant	2,782,017	2,532,161	249,856
Community services	249,794	200,415	49,379
Maintenance of plant	197,142	146,288	50,854
Total expenses	<u>10,972,111</u>	<u>9,847,449</u>	<u>1,124,662</u>
Change in net position	114,215	557,458	(443,243)
Net position - beginning	<u>2,003,029</u>	<u>1,445,571</u>	<u>557,458</u>
Net position - ending	<u>\$ 2,117,244</u>	<u>\$ 2,003,029</u>	<u>\$ 114,215</u>

The increase in general revenues is due to an increase in funds passed through the school district based on an increase in full-time equivalent student enrollment. Instruction, guidance and administrative expenses mainly increased due to more staff to accommodate the increase in students. The increase in plant operation expenses is mainly due to increased enrollment. The decrease in central services expenses was mainly due to prior year incurring costs for chromebooks purchased for students. Food service decreased based on the funding from the Department of Agriculture.

Financial Analysis of the Government's Funds

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

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

The general fund is the chief operating fund of the School. At the end of the current fiscal year, the nonspendable fund balance was \$780,061, reserved for prepaid expenses and ESSER II, \$74,648 and \$705,413, respectively. The unassigned fund balance was \$374,972. The fund balance of the School's general fund decreased by \$49,872 during the current fiscal year.

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.

Capital Assets and Debt Administration

Capital Assets. The School's net capital assets for its governmental activities as of June 30, 2023, amounts to \$31,191,978. This net investment in capital assets includes additions of \$90,935 in building and fixed equipment, \$69,178 in furniture, fixtures and equipment, \$59,748 in information technology equipment, \$3,122 in audio visual equipment, and \$92,341 in improvements other than building offset by depreciation of \$152,731.

A majority of the School's capital assets is in a right to use leased asset with a book value of \$30,229,767 as of the end of the year which reflects current year amortization of \$1,162,683.

Debt Administration. At June 30, 2023 the School has a long term lease liability - see Note D for details. A majority of the School's debt is in a lease liability associated with a right to use leased asset in the amount of \$30,229,767 as of the end of the year which reflects current year principal payments of \$1,162,683.

Economic Factors and Future Enrollment

A majority of the School's funding is determined by the number of enrolled students. The School is forecasting enrollment to increase from 1,020 to 1,062 students for the year ended June 30, 2024.

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 2500 Glades Circle, Weston, Florida 33327.

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

STATEMENT OF NET POSITION

June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 1,452,346
Accounts receivable	6,793
Due from other schools	42,879
Grant receivable (ESSER II)	705,413
Prepaid expenses	74,648
Administrative fee	10,000
Total current assets	<u>2,292,079</u>
CAPITAL ASSETS	
Capital assets, net of accumulated depreciation and amortization	
Buildings and fixed equipment	526,731
Furniture, fixtures and equipment	82,514
Information technology equipment	68,774
Audio visual equipment	10,977
Computer software	1,744
Improvements other than building	271,471
Property under capital lease	30,229,767
Total capital assets	<u>31,191,978</u>
Total assets	<u>33,484,057</u>
LIABILITIES	
Accounts payable	151,745
Accrued payroll and payroll taxes	587,324
Unearned revenue	397,977
Long-term lease liabilities	
Due within one year	1,162,683
Due in more than one year	29,067,084
Total liabilities	<u>31,366,813</u>
NET POSITION	
Net investment in capital assets	962,211
Unrestricted	1,155,033
Total net position	<u>\$ 2,117,244</u>

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

Imagine Charter School at Weston
(A Division of Learning Excellence Foundation of West Broward County, 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	\$ 5,434,088	\$ 678,876	\$ -	\$ -	\$ (4,755,212)
Administration	1,561,963	-	-	-	(1,561,963)
Operation of plant	2,782,017	3,128	-	569,940	(2,208,949)
Community services	249,794	359,541	-	-	109,747
Transportation	247,499	-	-	-	(247,499)
Food service	228,940	70,643	211,054	-	52,757
Maintenance of plant	197,142	-	-	-	(197,142)
Central services	85,081	-	-	-	(85,081)
Curriculum development	83,199	-	-	-	(83,199)
Guidance services	73,394	-	-	-	(73,394)
Board of Directors	24,500	-	-	-	(24,500)
Staff development	4,120	-	-	-	(4,120)
Health services	374	-	-	-	(374)
Total governmental activities	\$ 10,972,111	\$ 1,112,188	\$ 211,054	\$ 569,940	(9,078,929)
General revenues:					
					8,444,060
					93,944
					266,637
					388,503
					<u>9,193,144</u>
					CHANGE IN NET POSITION
					114,215
					<u>2,003,029</u>
					NET POSITION AT THE END OF THE YEAR
					<u><u>\$ 2,117,244</u></u>

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

Imagine Charter School at Weston
(A Division of Learning Excellence Foundation of West Broward County, 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
ASSETS			
Cash	\$ 1,452,346	\$ -	\$ 1,452,346
Accounts receivable	6,793	-	6,793
Due from other schools	42,879	-	42,879
Grant receivable (ESSER II)	705,413	-	705,413
Prepaid expenses	74,648	-	74,648
Administrative fee	10,000	-	10,000
	\$ 2,292,079	\$ -	\$ 2,292,079
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 151,745	\$ -	\$ 151,745
Accrued payroll and payroll taxes	587,324	-	587,324
Unearned revenue	397,977	-	397,977
	1,137,046	-	1,137,046
FUND BALANCES			
Nonspendable			
Prepaid expenses	74,648	-	74,648
ESSER II	705,413	-	705,413
Unassigned	374,972	-	374,972
	1,155,033	-	1,155,033
	\$ 2,292,079	\$ -	\$ 2,292,079

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

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

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

June 30, 2023

Fund balances - total governmental funds	\$ 1,155,033
The net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:	
Buildings and fixed equipment, net	\$ 526,731
Furniture, fixtures and equipment, net	82,514
Information technology equipment, net	68,774
Audio visual equipment, net	10,977
Computer software, net	1,744
Improvements other than building, net	271,471
Property under capital lease	<u>30,229,767</u>
Total capital assets	31,191,978
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 liabilities	<u>(30,229,767)</u>
Total net position of governmental activities	<u><u>\$ 2,117,244</u></u>

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

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

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

For the year ended June 30, 2023

	General fund	Capital outlay fund	Total governmental funds
Revenues			
State passed through school district	\$ 8,444,060	\$ 569,940	\$ 9,014,000
ESSER II	266,637	-	266,637
Other revenues	1,805,689	-	1,805,689
Total revenues	10,516,386	569,940	11,086,326
Expenditures			
Current:			
Instruction	5,431,524	-	5,431,524
Guidance services	73,394	-	73,394
Health services	374	-	374
Curriculum development	83,199	-	83,199
Staff development	4,120	-	4,120
Board of Directors	24,500	-	24,500
Administration	1,559,093	-	1,559,093
Food services	228,940	-	228,940
Central services	85,081	-	85,081
Transportation	247,499	-	247,499
Operation of plant	1,017,087	-	1,017,087
Community services	249,794	-	249,794
Maintenance of plant	197,142	-	197,142
Capital outlay	316,818	-	316,818
Debt service:			
Principal	815,757	346,926	1,162,683
Interest	231,936	223,014	454,950
Total expenditures	10,566,258	569,940	11,136,198
NET CHANGE IN FUND BALANCES	(49,872)	-	(49,872)
Fund balances at the beginning of the year	1,204,905	-	1,204,905
FUND BALANCES AT THE END OF THE YEAR	\$ 1,155,033	\$ -	\$ 1,155,033

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

**Imagine Charter School at Weston
(A Division of Learning Excellence Foundation of West Broward County, 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 - total governmental funds		\$	(49,872)
The change in net position reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay		\$	316,818
Depreciation expense on capital assets			(152,731)
Lease amortization			<u>(1,162,683)</u>
			(998,596)
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.			
Principal payment on leased asset			<u>1,162,683</u>
Change in net position of governmental activities		\$	<u><u>114,215</u></u>

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

Imagine Charter School at Weston
(A Division of Learning Excellence Foundation of West Broward County, 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 Charter School at Weston (the "School") is a Division of Learning Excellence Foundation of West Broward County, Inc. (the "Charterholder"), which is 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 School provides education services to students in kindergarten to eighth grade. The governing body of the School is the Board of Directors (the "Board"), which is composed of six members. The financial information presented is that of Imagine Charter School at Weston only. The entire workforce is provided by the operating company; therefore, all benefits are provided by the operating company.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, which is the School Board of Broward County, Florida (the "District"). The current charter is effective until June 30, 2025, and may be renewed in increments of five years 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. Imagine Charter School at Weston is considered a component unit of the School Board of Broward County, Florida.

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 difference between assets, liabilities, and deferred outflows and inflows of resources, as presented in the statement of net position, is subdivided into three categories: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowing 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, or laws or regulations of other governments or enabling legislation. Unrestricted net position includes all of the remaining balance that does not meet the definition of the other two categories.

Imagine Charter School at Weston
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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 that 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. Two of the School's funds were deemed to be major. 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 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 an expenditure 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 - 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 Broward County District School Board, 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. Receivables

Receivables typically include amounts due from other schools, other agencies, and the operating company. The amounts due from other schools is related to timing on invoices for shared services. The School's management determined that 100% of receivables are fully collectible, based on prior year experience; 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”). For the year ended June 30, 2023, the School submitted \$266,637 request for reimbursement and \$165,622 was received. The School had a beginning ESSER grant receivable balance of \$604,398 and an ending balance of \$705,413 - see Note E for more details on ESSER II funds.

7. Interfund receivables and payables

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

8. 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.

9. Capital assets

Capital assets are reported in the applicable 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 assets 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:

Asset class	Estimated useful lives
Buildings and fixed equipment	7 - 40
Furniture, fixtures and equipment	7 - 10
Information technology equipment	5 - 7
Audio visual equipment	7
Computer software	3 - 7
Improvements other than building	7 - 40
Right to use leased asset	30

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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. 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.

11. Unearned revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. At the end of the current fiscal year, the School had \$397,977 in unearned revenue from returned lease payments and also Pre-K deposits and payments. The unearned revenue associated with the lease payments is a result of a modified lease in 2020 and is limited in its use, and will be recognized in the future as the School makes qualifying building and maintenance expenses.

12. Long-term obligations

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 leases and debt issued as other financing sources and payments of leases and debt principal as debt service expenditures. The School has property under a lease presented in long term debt as of June 30, 2023 - see Note D for details.

13. Revenue sources

Revenues for current operations are received primarily from the State of Florida through the District pursuant to the funding provisions included in the School's charter based on full time equivalent ("FTE") students. Funding for the School is adjusted during the year to reflect revised calculations of 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 are withheld until qualifying 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.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Income taxes

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

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

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

16. 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.

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.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

16. Fund balance classification (continued)

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.

17. Impact of recently issued accounting principles

In June 2022, Governmental Accounting Standards Board ("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.

18. 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).

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.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE C - CAPITAL ASSETS

Changes in capital assets are as follows:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets depreciated and amortized:				
Buildings and fixed equipment	\$ 734,613	\$ 90,935	\$ -	\$ 825,548
Furniture, fixtures and equipment	364,839	69,178	-	434,017
Information technology equipment	409,989	59,748	-	469,737
Audio visual equipment	25,917	3,122	-	29,039
Computer software	45,815	1,494	-	47,309
Improvements other than building	440,618	92,341	-	532,959
	<u>2,021,791</u>	<u>316,818</u>	<u>-</u>	<u>2,338,609</u>
Property under financing lease	32,555,133	-	-	32,555,133
Total assets	<u>34,576,924</u>	<u>316,818</u>	<u>-</u>	<u>34,893,742</u>
Less accumulated depreciation and amortization:				
Buildings and fixed equipment	194,729	104,088	-	298,817
Furniture, fixtures and equipment	325,114	26,389	-	351,503
Information technology equipment	398,399	2,564	-	400,963
Audio visual equipment	16,368	1,694	-	18,062
Computer software	44,565	1,000	-	45,565
Improvements other than building	244,492	16,996	-	261,488
	<u>1,223,667</u>	<u>152,731</u>	<u>-</u>	<u>1,376,398</u>
Property under financing lease	1,162,683	1,162,683	-	2,325,366
Total accumulated depreciation and amortization	<u>2,386,350</u>	<u>1,315,414</u>	<u>-</u>	<u>3,701,764</u>
Total governmental activities capital assets, net	<u>\$ 32,190,574</u>	<u>\$ (998,596)</u>	<u>\$ -</u>	<u>\$ 31,191,978</u>

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

Instruction	\$ 2,564
School administration	2,870
Operation of plant	<u>1,309,980</u>
	<u>\$ 1,315,414</u>

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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE D - LONG TERM DEBT - GASB 87 LEASES

The School has a lease agreement with Weston Office Properties, Ltd for the lease of the building for School operations. The term of the lease was commencing on July 1st, 2019 and will expire on until June 30, 2049. 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	\$ 31,392,450	\$ -	\$ 1,162,683	\$ 30,229,767	\$ 1,162,683

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	\$ 1,162,683	\$ 607,003
2025	1,162,683	642,396
2026	1,162,683	678,498
2027	1,162,683	715,322
2028	1,162,683	752,882
2029-2033	5,813,415	4,354,634
2034-2038	5,813,415	5,412,933
2039-2043	5,813,415	6,581,380
2044-2048	5,813,415	7,871,440
2049	1,162,692	1,740,665
Total	\$ 30,229,767	\$ 29,357,153

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% was 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.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE E - ESSER II (continued)

For the year ended June 30, 2023, the School was reimbursed \$266,637 for ESSER expenses and as of year end has an outstanding grants receivable in the amount of \$705,413. (see Note A-6 for details on grant receivable).

NOTE F - CONCENTRATIONS

As stated in Note A-13, the School receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources:

Sources	Amounts
School Board of Broward County:	
Base funding	\$ 5,337,580
Class size reduction	1,091,104
Discretionary local effort	749,457
Supplemental academic instruction	228,340
Student transportation	85,848
ESE guaranteed allocation	189,077
Instructional materials	78,047
Safe schools	73,241
Reading allocation	57,777
Administration fee withheld	(37,663)
Funding compression allocation	3,626
Mental health allocation	47,340
2021-2022 adj Full-Time Equivalent/Florida	
Education Finance Program Calc	(2,251)
Hardening grant	15,389
School Recognition Program	186,737
Teacher Classroom Supply Assist Program	15,720
Secure the Next Generation Initiative	54,600
Florida teacher salary allocation	270,091
Total School Board of Broward County, Florida	
before capital outlay	8,444,060
Capital outlay	569,940
Total School Board of Broward County, Florida	9,014,000
Charges for services	1,112,188
Fundraising	93,944
Grant revenue (ESSER II)	266,637
Grant revenue	211,054
Other revenue	388,503
Total revenues	\$ 11,086,326

Imagine Charter School at Weston
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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE G - COMMITMENTS AND CONTINGENCIES

1. Management service contract

An amended and restated charter school operating agreement with an operating company, who shares common ownership with the Charterholder was made and entered into on July 15, 2019. This agreement calls for an indirect cost allocation equal to 8.63% of charter school revenue, as defined in the agreement. The total allocation charged to operations for the year ended June 30, 2023 totaled \$731,087.

If there are not sufficient funds in the School's operating account to pay all operating expenses, the operating company may, but is not required to, loan the School funds for payment of budgeted and unpaid operating expenses. On the first date that funds reside in the School's operating account, which are not reserved under the approved budget, the outstanding operating loans plus interest shall be subject to automatic repayment in part or in full to the fullest extent of available unreserved funds.

2. Facilities expense

The School has committed to pay a facility lease fee for the building where the School is located, reflected as a long term lease liability. The duration of the agreement is effective through July 1, 2049. The future minimum lease payment for the year ended June 30, 2023 is \$1,734,986, which includes principal and interest. Per GASB 87 this liability is recognized as lease obligation and presented in Note D.

3. Federal grants

The School participates in federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. The School is subject to periodic audits and inquiries by various regulatory agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

4. 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.

Imagine Charter School at Weston
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NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE H - RELATED PARTIES

The School has entered into an agreement with the operating company as further discussed in Note G-1. At June 30, 2023 there were no outstanding balanced due from or to the management company.

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; general liabilities; 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 Charter School at Weston
(A Division of Learning Excellence Foundation of West Broward County, Inc. and a
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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue				
State passed through local school district	\$ 7,849,363	\$ 7,901,520	\$ 7,901,520	\$ -
Other state revenue	840,439	809,174	809,174	-
Supplemental fee and other revenue	1,686,850	1,805,692	1,805,692	-
Gross school revenue	10,376,652	10,516,386	10,516,386	-
Expenditures				
Salaries and benefits	5,788,112	5,557,383	5,557,383	-
Other school service expense	1,036,394	964,045	964,045	-
Direct educational expense	680,333	842,412	842,412	-
General and administrative	513,242	365,953	365,953	-
Facility operating expense	459,797	740,867	740,867	-
School operating expenditures	8,477,878	8,470,660	8,470,660	-
Debt service:				
Principal	1,751,448	815,757	815,757	-
Interest	-	231,936	231,936	-
Management fee	756,623	731,087	731,087	-
Total expenditures	10,985,949	10,249,440	10,249,440	-
Change in net position (budgetary basis)	(609,297)	266,946	266,946	-
Adjustments to conform with GAAP:				
Capital outlay expenditures	-	(316,818)	(316,818)	-
Excess (deficiency) of revenues over (under) expenditures (GAAP basis)	(609,297)	(49,872)	(49,872)	-
Fund balance at the beginning of the year	1,204,905	1,204,905	1,204,905	-
FUND BALANCE AT THE END OF THE YEAR	\$ 595,608	\$ 1,155,033	\$ 1,155,033	\$ -

See accompanying note to required supplementary information.

Imagine Charter School at Weston
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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL OUTLAY FUND

For the year ended June 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenue				
Capital outlay funding	\$ 569,940	\$ 569,940	\$ 569,940	\$ -
Expenditures				
Debt service:				
Principal	346,926	346,926	346,926	-
Interest	223,014	223,014	223,014	-
Total expenditures	<u>569,940</u>	<u>569,940</u>	<u>569,940</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance at the beginning of the year	-	-	-	-
FUND BALANCE AT THE END OF THE				
 YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to required supplementary information.

Imagine Charter School at Weston
(A Division of Learning Excellence Foundation of West Broward County, Inc. and a
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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. 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 excess of revenues over expenditures presented in conformity with GAAP is set forth in the adjustments to the required supplementary information.

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

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
Learning Excellence Foundation of West Broward County, Inc.
Weston, 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 Imagine Charter School at Weston (the "School"), a component unit of the School Board of Broward County, Florida and a Division of Learning Excellence Foundation of West Broward County, 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 or significant deficiencies may exist that have not been identified.

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407-841-8841

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 & LaHam
CPAs and Associates, LLP



MANAGEMENT LETTER

To the Board of Directors
Learning Excellence Foundation of West Broward County, Inc.
Weston, Florida

Report on the Financial Statements

We have audited the financial statements of Imagine Charter School at Weston (the "School"), a component unit of the School Board of Broward County, Florida and a Division of Learning Excellence Foundation of West Broward County, 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 is 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 made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are *Imagine Charter School at Weston*, which is a Division of Learning Excellence Foundation of West Broward, Inc. and 5111.

MELBOURNE

8035 Spyglass Hill Road
Melbourne, FL 32940
321-757-2020

ORLANDO

255 South Orange Avenue, #1200
Orlando, FL 32801
407-841-8841

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, School's management, Board of Directors, applicable management, 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