

**ADVANTAGE ACADEMY OF
BROWARD, INC.**
D/B/A WEST BROWARD ACADEMY
A Charter School and Component Unit of the
District School Board of Broward County, Florida
INDEPENDENT AUDITOR'S REPORT
for the fiscal year ended JUNE 30, 2023

King & Walker, CPAs, PL

Certified Public Accountants

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**ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY**

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Independent Auditor's Report

To the Board of Directors of the Advantage Academy of Broward, Inc.
d/b/a West Broward Academy, a Charter School and Component Unit of the
District School Board of Broward County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Advantage Academy of Broward, Inc., d/b/a West Broward Academy ("School"), a charter school and component unit of the District School Board of Broward County, Florida, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund information 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report September 18, 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.

King & Walker, CPAs

September 18, 2023
Tampa, Florida

ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY

A Charter School and Component Unit of the District School Board of Broward County, Florida

MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

The Management’s Discussion and Analysis (MD&A) section of the annual financial report of the Advantage Academy of Broward, Inc., d/b/a West Broward Academy (“School”) provides an overview of the School’s financial activities for the fiscal year ended June 30, 2023.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School’s financial statements and notes to financial statements as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2023, the School’s revenues exceeded expenses as shown on the School’s statement of activities by \$393,107.
- As shown on the statement of net position, the School reported an unrestricted net position balance of \$570,708.
- As shown on the balance sheet – governmental funds, the School reported a total combined fund balance of \$717,739.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School’s overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net position provides information about the government’s financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School’s net position and the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the School’s financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY

A Charter School and Component Unit of the District School Board of Broward County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the 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. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates the following funds: a General Fund to account for its general operations, a Capital Projects Fund to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlay, and a Special Revenue Fund to account for Federal grant programs and internal account activities. The School elected to present all funds as major funds.

The School adopts annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Major Special Revenue Fund to demonstrate compliance with the budgets.

Notes to 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.

**ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY**

A Charter School and Component Unit of the District School Board of Broward County, Florida

MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government’s financial position. The following is a summary of the School’s current year and prior year net position:

	Net Position, End of Year		
	<u>Governmental Activities</u>		
	<u>6-30-22</u>	<u>6-30-23</u>	<u>Increase (Decrease)</u>
ASSETS			
Current and Other Assets	\$ 1,186,938	\$ 1,558,143	\$ 371,205
Capital Assets, Net	<u>17,789,632</u>	<u>17,670,512</u>	<u>(119,120)</u>
Total Assets	<u>18,976,570</u>	<u>19,228,655</u>	<u>252,085</u>
LIABILITIES			
Current Liabilities	642,413	840,404	197,991
Noncurrent Liabilities	<u>17,837,709</u>	<u>17,498,696</u>	<u>(339,013)</u>
Total Liabilities	<u>18,480,122</u>	<u>18,339,100</u>	<u>(141,022)</u>
NET POSITION			
Net Investment in Capital Assets	150,309	245,401	95,092
Restricted	35,052	73,446	38,394
Unrestricted	<u>311,087</u>	<u>570,708</u>	<u>259,621</u>
Total Net Position	<u>\$ 496,448</u>	<u>\$ 889,555</u>	<u>\$ 393,107</u>

The assets of the School primarily consist of cash and cash equivalents, amounts due from other agencies, and the School’s investment in capital assets, consisting of leasehold improvements, furniture, fixtures, and equipment, motor vehicles, and a leased asset - building, net of accumulated depreciation/amortization. Current liabilities primarily consist of vendor accounts payable and salaries and benefits payable. Noncurrent liabilities consist of loans payable and a long-term lease liability. The School reported a total net position of \$889,555, which included an unrestricted net position balance of \$570,708.

ADVANTAGE ACADEMY OF BROWARD, INC.

D/B/A WEST BROWARD ACADEMY

A Charter School and Component Unit of the District School Board of Broward County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The key elements of the changes in the School's net position for the current year and prior year are as follows:

	Operating Results for the Year		
	Governmental Activities		Increase (Decrease)
	6-30-22	6-30-23	
Revenues:			
Federal Through State and Local	\$ 497,818	\$ 1,020,046	\$ 522,228
State	4,870,893	5,473,360	602,467
Local and Other and Contributions	577,014	728,675	151,661
Total Revenues	<u>5,945,725</u>	<u>7,222,081</u>	<u>1,276,356</u>
Expenses:			
Instruction	2,504,170	3,102,604	598,434
Student Support Services	28,195	24,514	(3,681)
Instruction & Curriculum Development	122,239	138,759	16,520
Instructional Staff Training	7,349	11,845	4,496
Instructional Related Technology	89,203	90,119	916
Board	49,085	273,263	224,178
General Administration	274,674	-	(274,674)
School Administration	370,758	486,990	116,232
Facilities Acquisition & Construction	23,625	29,344	5,719
Fiscal Services	221,467	246,518	25,051
Food Services	880	-	(880)
Central Services	11,325	8,555	(2,770)
Student Transportation	129,256	254,581	125,325
Operation of Plant	320,698	427,887	107,189
Maintenance of Plant	101,453	124,772	23,319
Administrative Technology Services	52	240	188
Community Service	185,933	197,525	11,592
Debt Service - Interest	979,235	1,053,353	74,118
Unallocated Depreciation/Amoritzation	288,055	358,105	70,050
Total Expenses	<u>5,707,652</u>	<u>6,828,974</u>	<u>1,121,322</u>
Increase in Net Position	<u>\$ 238,073</u>	<u>\$ 393,107</u>	<u>\$ 155,034</u>

The largest revenue source for the School is the State of Florida (76%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the School. The School also received funding under Federal grants amounting to 14% of total revenue. The largest concentration of expenses was for instruction-related functions (49%), debt service interest (15%), and facility costs (10%).

**ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY**

A Charter School and Component Unit of the District School Board of Broward County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a total combined fund balance of \$717,739.

BUDGETARY HIGHLIGHTS

The General Fund and Special Revenue Fund budgets for the fiscal year ended June 30, 2023, were developed based on the School's anticipated revenues and expenditures, the expected student population, and Federal grant programs for the school year. For the fiscal year ended June 30, 2023, the actual expenditures were equal to the final budgets. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$17,670,512 (net of accumulated depreciation/amortization). This investment in capital assets includes furniture, fixtures, and equipment, leasehold improvements, motor vehicles, and a leased asset - building. Additional information regarding the School's capital assets can be found in notes to the financial statements.

DEBT

The School entered into a long-term lease for its School educational facility through June 30, 2041. This lease has been reported as long-term debt under guidance from GASB 87 in the original amount of \$17,897,308. The long-term lease payable ends June 30, 2041. Additional information regarding long-term debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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 2023-24 include:

- Continued funding from FEFP.
- Expected increase in enrollment.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Advantage Academy of Broward, Inc., d/b/a West Broward Academy's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Charter School Associates, Inc., 5471 N. University Drive, Coral Springs, FL 33067.

ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

STATEMENT OF NET POSITION

June 30, 2023

	<u>Government Activities</u>
ASSETS	
Cash & Cash Equivalents	\$ 798,044
Due From Other Agencies	689,518
Accounts Receivable	46,539
Prepaid Items & Deposits	24,042
Capital Assets:	
Leasehold Improvements, Net	110,128
Furniture, Fixtures, and Equipment, Net	135,273
Leased Asset - Building, Net	17,425,111
Total Capital Assets	<u>17,670,512</u>
TOTAL ASSETS	<u><u>19,228,655</u></u>
LIABILITIES	
Salaries and Benefits Payable	241,957
Accounts Payable	558,851
Due to Other Agencies	4,299
Deferred Revenue	35,297
Noncurrent Liabilities:	
Due Within One Year:	
Loans Payable	73,585
Long-term Lease Payable	263,234
Due After One Year:	
Long-term Lease Payable	17,161,877
TOTAL LIABILITIES	<u><u>18,339,100</u></u>
NET POSITION	
Net Investment in Capital Assets	245,401
Restricted	73,446
Unrestricted	570,708
TOTAL NET POSITION	<u><u>\$ 889,555</u></u>

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

ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 3,102,604	\$ -	\$ 895,604	\$ -	\$ (2,207,000)
Student Support Services	24,514		2,534		(21,980)
Instruction & Curriculum Development	138,759		105,824		(32,935)
Instructional Staff Training	11,845		1,441		(10,404)
Instructional Related Technology	90,119				(90,119)
Board	273,263				(273,263)
School Administration	486,990		5,571		(481,419)
Facilities Acquisition & Construction	29,344				(29,344)
Fiscal Services	246,518		-		(246,518)
Central Services	8,555				(8,555)
Student Transportation	254,581				(254,581)
Operation of Plant	427,887		7,023		(420,864)
Maintenance of Plant	124,772		995		(123,777)
Administrative Technology Services	240				(240)
Community Service	197,525	187,316	1,054		(9,155)
Debt Service - Interest	1,053,353			353,879	(699,474)
Unallocated Depreciation/Amortization	358,105				(358,105)
Total Governmental Activities	\$ 6,828,974	\$ 187,316	\$ 1,020,046	\$ 353,879	(5,267,733)
General Revenue					
State Sources					5,026,888
Local and Other					213,021
Contributions					420,931
Total General Revenues					5,660,840
Change in Net Position					393,107
Net Position - July 1, 2022					496,448
Net Position - June 30, 2023					\$ 889,555

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

ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash & Cash Equivalents	\$ 723,992	\$ 74,052	\$ -	\$ 798,044
Due From Other Agencies	-	688,418	1,100	689,518
Accounts Receivable	46,539	-	-	46,539
Prepaid Items & Deposits	22,647	1,395	-	24,042
Due from Other Funds	654,827	-	-	654,827
Total Assets	\$ 1,448,005	\$ 763,865	\$ 1,100	\$ 2,212,970
 LIABILITIES				
Salaries and Benefits Payable	\$ 241,957	\$ -	\$ -	\$ 241,957
Accounts Payable	558,851	-	-	558,851
Due to Other Agencies	4,299	-	-	4,299
Deferred Revenue	-	35,297	-	35,297
Due to Other Funds	-	653,727	1,100	654,827
Total Liabilities	805,107	689,024	1,100	1,495,231
 FUND BALANCES				
Nonspendable	22,647	1,395	-	24,042
Restricted for Internal Accounts	-	73,446	-	73,446
Unassigned	620,251	-	-	620,251
Total Fund Balances	642,898	74,841	-	717,739
Total Liabilities and Fund Balances	\$ 1,448,005	\$ 763,865	\$ 1,100	\$ 2,212,970

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

ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total Fund Balances - Governmental Funds		\$	717,739
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>			
<p>Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.</p>			17,670,512
<p>Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.</p>			
	Loans Payable	(73,585)	
	Long-term Lease Payable	(17,425,111)	(17,498,696)
Total Net Position - Governmental Activities		\$	889,555

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

ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Intergovernmental:				
Federal Through State and Local	\$ -	\$ 1,020,046	\$ -	\$ 1,020,046
State	5,090,137	-	383,223	5,473,360
Local and Other	213,937	93,807		307,744
Contributions	400,057	20,874		420,931
Total Revenues	5,704,131	1,134,727	383,223	7,222,081
Expenditures				
Current - Education:				
Instruction	2,416,035	686,569	-	3,102,604
Student Support Services	21,980	2,534	-	24,514
Instruction & Curriculum Development	32,935	105,824	-	138,759
Instructional Staff Training	10,404	1,441	-	11,845
Instructional Related Technology	90,119	-	-	90,119
Board	273,263	-	-	273,263
School Administration	481,419	5,571	-	486,990
Facilities Acquisition & Construction	-	-	29,344	29,344
Fiscal Services	246,518	-	-	246,518
Central Services	8,555	-	-	8,555
Student Transportation	254,581	-	-	254,581
Operation of Plant	420,864	7,023	-	427,887
Maintenance of Plant	123,777	995	-	124,772
Administrative Technology Services	240	-	-	240
Community Service	76,732	120,793	-	197,525
Fixed Capital Outlay:				
Facilities Acquisition & Construction	29,950	-	-	29,950
Other Capital Outlay	-	209,035	-	209,035
Debt Service:				
Principal	279,102	-	59,911	339,013
Interest	759,385	-	293,968	1,053,353
Total Expenditures	5,525,859	1,139,785	383,223	7,048,867
Net Change in Fund Balances	178,272	(5,058)	-	173,214
Fund Balances, July 1, 2022	464,626	79,899	-	544,525
Fund Balances, June 30, 2023	\$ 642,898	\$ 74,841	\$ -	\$ 717,739

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

ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

Net Change in Fund Balances - Governmental Funds	\$	173,214
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.

	238,985	
Capital Outlays		
Depreciation/Amortization Expense	(358,105)	(119,120)

The repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.

		339,013
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Change in Net Position - Governmental Activities	\$	393,107
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The accompanying notes to the financial statements are an integral part of this statement.

ADVANTAGE ACADEMY OF BROWARD, INC.
D/B/A WEST BROWARD ACADEMY
A Charter School and Component Unit of the District School Board of Broward County, Florida

NOTES TO FINANCIAL STATEMENTS
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

The Advantage Academy of Broward, Inc., d/b/a West Broward Academy (“School”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the Board of Directors, which is comprised of not less than three members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Broward County, Florida, (“District”). The charter was granted starting for the 2012-13 school year and was renewed through June 30, 2023. On May 17, 2022, the District renewed the School’s charter agreement through June 30, 2027. The School charter is subject to annual review and may be renewed by mutual agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this 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. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

➤ **Basis of Presentation**

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

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School’s governmental activities. Direct expenses are those that are specifically associated

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with a service, program, or department and are thereby clearly identifiable to a particular function.

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

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

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for Federal grant programs and internal account activities.
- Capital Projects Fund – to account for all resources for the acquisition of capital assets and related items purchased by the School with capital outlay funds.

➤ **Basis of Accounting**

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

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year.

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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. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation/amortization, are not recognized in governmental funds.

➤ **Cash and Cash Equivalents**

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of eight months or less from date of acquisition. The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

The School's deposits are placed with banks and savings and loans qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5-10 years
Improvements Other than Buildings	10-20 years
Motor Vehicles	5-10 years
Leased Asset - Building	20 years

➤ **Long-term Debt**

Long-term obligations that will be financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund. Current-year information relative to changes in long-term debt is described in subsequent notes.

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➤ **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 then. The School does not have any items that qualify for reporting in this category.

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation/amortization, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

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- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School’s Board of Governance.
- Assigned – fund balance that is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The School’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

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

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students (FTE) reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School’s compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2.,

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Florida Statutes. For the fiscal year ended June 30, 2023, the School reported 654.57 unweighted FTE and 698.20 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives Federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities

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as of the date of the statement of net position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

2. CASH DEPOSITS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School’s deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by Federal Depository Insurance and/or collateralized with securities held in Florida’s multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

3. ACCOUNTS RECEIVABLE – RELATED PARTY

A portion of the accounts receivable on the School’s statement of net position and balance sheet – governmental funds include amounts due from other charter schools, operated by the same charter holder or under the same management company, for shared expenses paid on their behalf and awaiting reimbursement. These receivables are considered fully collectible and therefore, no allowance for uncollectible accounts has been established.

Amounts receivable per School are as follows:

<u>School</u>	<u>Amount</u>
Advantage Academy of Hillsborough	\$ 719
Advantage Academy of Hillsborough, Inc.	10,324
Advantage Academy of Miami, Inc.	17,665
Big Bend Academy of Math & Science	19
Bell Creek Academy	794
Bell Creek Academy High School	908
Channelside Academy of Math & Science	719
Everglades Preparatory Academy	643
Everglades Preparatory Academy High	775
Hillsborough Academy of Math & Science	1,286
Independence Academy	856
Palm Glades Academy	416
Palm Glades High School	492
Riverview Academy High School	113
Riverview Academy of Math & Science	1,418
Summerville Advantage Academy	681
Sunlake Academy of Math & Science	1,305
Valrico Lake Academy	<u>2,231</u>
Total	<u>\$ 41,364</u>

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4. DUE FROM OTHER AGENCIES

The amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds consist of an amount due from the School District of Broward County for reimbursement of expenses related to the VPK program, a Safety and Security grant, and Federal grant programs. These receivables are considered to be fully collectible and as such, no allowance for uncollectible accounts has been established.

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Leasehold Improvements	\$ 132,972	\$ 29,950	\$ -	\$ 162,922
Furniture, Fixtures and Equipment	175,703	209,035		384,738
Motor Vehicles	5,313	-		5,313
Leased Asset - Building	17,897,308	-		17,897,308
Total Capital Assets	<u>18,211,296</u>	<u>238,985</u>	<u>-</u>	<u>18,450,281</u>
Less Accumulated Depreciation/Amortization for:				
Leasehold Improvements	(38,479)	(14,315)		(52,794)
Furniture, Fixtures and Equipment	(120,594)	(128,871)		(249,465)
Motor Vehicles	(4,606)	(707)		(5,313)
Leased Asset - Building	(257,985)	(214,212)		(472,197)
Total Accumulated Depreciation/Amortization	<u>(421,664)</u>	<u>(358,105)</u>	<u>-</u>	<u>(779,769)</u>
Governmental Activities Capital Assets, net	<u>\$ 17,789,632</u>	<u>\$ (119,120)</u>	<u>\$ -</u>	<u>\$ 17,670,512</u>

Depreciation/amortization expense was shown as unallocated on the Statement of Activities.

6. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2023, the School's Special Revenue Fund and Capital Projects Fund owed the General Fund \$653,727 and \$1,100, respectively, for expenditures awaiting disbursement. The amounts of interfund receivables and payables are netted together and not reported in the statement of net position or the statement of activities.

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7. ACCOUNTS PAYABLE – RELATED PARTY

Included in the accounts payable balance reported in the statement of net position and the balance sheet – governmental funds, the School reported a payable of \$2,263 as a result of shared expenditures paid by Valrico Lake Academy (\$71), Doral International Academy of Math and Science (\$640), Pinellas Academy of Math and Science (\$484), and The Charter School at Waterstone (\$1,068), charter schools operated by the same management company. Amounts are expected to be paid within one year.

8. LOANS PAYABLE – RELATED PARTY

As of June 30, 2023, the School’s long-term debt consisted of the following loans payable with Charter School Associates, Inc., the School’s management company:

<u>Loans Payable</u>	<u>Balance at 6-30-23</u>
Charter School Associates, Inc. (School's management company) - Demand loans made bearing and interest rate of 2% per annum. Prepayment penalties do not apply.	
\$100,000 Borrowed 7-13-21, to cover costs of operations. Principal due 10-1-23.	\$ 4,227
\$50,000 Borrowed 11-10-21, to cover costs of operations. Principal due 6-1-24.	23,118
\$100,000 Borrowed 12-10-21, to cover costs of operations. Principal due 6-1-24.	46,240
Total Loans Payable	\$ 73,585

The future payments required for the loans payable as of June 30 are as follows:

Fiscal Year	Total	Principal	Interest
Ending June 30			
2024	\$ 74,158	\$ 73,585	\$ 573
Total	\$ 74,158	\$ 73,585	\$ 573

9. LONG-TERM LEASE PAYABLE

The School leases its educational facility under a noncancellable lease through June 2041. The lease requires monthly payments and includes annual increases in accordance with the agreement. In accordance with the agreement, the School is responsible for all operating charges and insurance and is to maintain the premises at its own expense. The fair value of the leased asset is \$17,897,308. Amortization of the leased asset recorded under this lease is included with depreciation/amortization expense in the accompanying financial statements.

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Future minimum lease payments and the present value of the minimum lease payments as of June 30 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2024	\$ 1,301,580	\$ 263,234	\$ 1,038,346
2025	1,337,376	316,267	1,021,109
2026	1,374,156	373,582	1,000,574
2027	1,411,944	435,468	976,476
2028	1,450,764	502,233	948,531
2029-33	7,874,676	3,708,124	4,166,552
2034-38	9,018,648	6,327,642	2,691,006
2039-41	6,028,488	5,498,561	529,927
Total	\$ 29,797,632	\$ 17,425,111	\$ 12,372,521

The imputed interest rate is 6 percent.

10. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Loans Payable	198,386	\$ -	\$ (124,801)	\$ 73,585	\$ 73,585
Long-Term Lease Payable	17,639,323	-	(214,212)	17,425,111	263,234
Total Governmental Activities	\$ 17,837,709	\$ -	\$ (339,013)	\$ 17,498,696	\$ 336,819

11. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue:

Source	Amount
Florida Education Finance Program	\$ 4,163,141
Categorical Programs:	
Class Size Reduction	666,305
Charter School Capital Outlay	353,879
Miscellaneous	290,035
Total State Revenue	\$ 5,473,360

As provided in the charter school contract, the District has charged the School an administrative fee totaling \$92,226.

12. SCHOOL FOOD SERVICE AGREEMENT

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In July 2017, the School entered into an agreement with Advantage Academy of Miami, Inc., an organization operated by the School's management company, to operate the School's food service operations. The School incurs no cost and no revenue is received for food service operations. No revenues or expenditures are reflected in these financial statements for transactions related to the provision of meals.

13. RETIREMENT PLAN

The School participates in a defined contribution tax sheltered annuity 401(k) plan for participating employees. Contributions made by the School totaled \$5,443 for the year ended June 30, 2023, which were computed at 1.5% of employee compensation for each participating employee. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The rate of contribution is set annually by the School's Board of Directors.

14. OPERATING AGREEMENT

The School entered into a management contract with Charter School Associates (CSA). The contract calls for CSA to provide the School with marketing, curriculum design and implementation; student and staff recruiting; principal selection; and general management of the School's operations. An annual fee is to be 9% of the School's gross operating revenue less the School's administrative fee, plus 3% of grants obtained by CSA on behalf of the School, if allowed under the grant conditions. Fees under this agreement incurred to CSA during the fiscal year amounted to \$464,945.

Contribution: In the 2022-23 fiscal year, CSA agreed to forgive current year unpaid management fees. Forgiveness of debt of \$379,689 is included within Contributions in the statement of activities and statement of revenues, expenditures, and changes in fund balance – governmental funds.

15. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

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16. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor 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 the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2023, may be impaired.

In the opinion of the School, there are no significant 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.

17. FUNDING AND CREDIT RISK CONCENTRATIONS

The School receives substantially all of its support and revenue from Federal, state and local funding sources, passed through the District, in the form of performance and budget-based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

18. LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. The School has no legal actions or pending proceedings in progress.

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DISTRICT SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND MAJOR SPECIAL REVENUE FUND (UNAUDITED)
For the Fiscal Year Ended June 30, 2023

	General Fund				Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Revenues:								
Intergovernmental:								
Federal Through State and Local	\$	-	-	-	\$ 458,643	\$ 1,020,046	\$ 1,020,046	-
State	5,065,629	5,090,137	5,090,137	-	-	-	-	-
Local and Other	645,083	213,937	213,937	-	67,000	93,807	93,807	-
Contributions	-	400,057	400,057	-	15,000	20,874	20,874	-
Total Revenues	5,710,712	5,704,131	5,704,131	-	540,643	1,134,727	1,134,727	-
Expenditures:								
Current - Education:								
Instruction	2,557,037	2,416,035	2,416,035	-	325,699	686,569	686,569	-
Student Support Services	13,844	21,980	21,980	-	4,012	2,534	2,534	-
Instruction & Curriculum Development	12,570	32,935	32,935	-	119,989	105,824	105,824	-
Instructional Staff Training	2,700	10,404	10,404	-	-	1,441	1,441	-
Instructional Related Technology	94,256	90,119	90,119	-	-	-	-	-
Board	296,117	273,263	273,263	-	-	-	-	-
School Administration	501,164	481,419	481,419	-	6,190	5,571	5,571	-
Fiscal Services	247,647	246,518	246,518	-	-	-	-	-
Central Services	11,600	8,555	8,555	-	-	-	-	-
Student Transportation	130,845	254,581	254,581	-	-	-	-	-
Operation of Plant	1,453,319	420,864	420,864	-	2,753	7,023	7,023	-
Maintenance of Plant	80,050	123,777	123,777	-	-	995	995	-
Administrative Technology Services	-	240	240	-	-	-	-	-
Community Service	-	76,732	76,732	-	58,500	120,793	120,793	-
Fixed Capital Outlay:								
Facilities Acquisition & Construction	-	29,950	29,950	-	-	-	-	-
Other Capital Outlay	-	-	-	-	-	209,035	209,035	-
Debt Service:								
Principal	124,801	279,102	279,102	-	-	-	-	-
Interest	2,267	759,385	759,385	-	-	-	-	-
Total Expenditures	5,528,217	5,525,859	5,525,859	-	517,143	1,139,785	1,139,785	-
Net Change in Fund Balances	182,495	178,272	178,272	-	23,500	(5,058)	(5,058)	-
Fund Balances, July 1, 2022	464,626	464,626	464,626	-	79,899	79,899	79,899	-
Fund Balances, June 30, 2023	\$ 647,121	\$ 642,898	\$ 642,898	\$ -	\$ 103,399	\$ 74,841	\$ 74,841	\$ -

See Independent Auditor's Report

ADVANTAGE ACADEMY OF BROWARD, INC.

D/B/A WEST BROWARD ACADEMY

A Charter School and Component Unit of the District School Board of Broward County, Florida

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2023

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

**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***

Independent Auditor's Report

To the Board of Directors of the Advantage Academy of Broward, Inc.
d/b/a West Broward Academy,
a Charter School and Component Unit of the
District School Board of Broward County, 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 Advantage Academy of Broward, Inc. d/b/a West Broward Academy (“School”), a charter school and component unit of the District School Board of Broward County, Florida, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated September 18, 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 were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

King & Walker, CPAs

September 18, 2023
Tampa, Florida

Members:
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Government Audit Quality Center

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**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of the Advantage Academy of Broward, Inc.
d/b/a West Broward Academy,
a Charter School and Component Unit of the
District School Board of Broward County, Florida

Report on the Financial Statements

We have audited the financial statements of the Advantage Academy of Broward, Inc., d/b/a West Broward Academy (“School”), a charter school and component unit of the District School Board of Broward County, Florida, as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 18, 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 18, 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 prior audit findings or recommendations.

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 West Broward Academy, 065052.

Financial Condition and Management

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

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

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

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site 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 that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

King & Walker, CPAs

September 18, 2023
Tampa, Florida