

**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, 2021*

***King & Walker, CPAs, PL***

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*Certified Public Accountants*

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

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Members:  
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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 Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information 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, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2021, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 historic 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 methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2021, of 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 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 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.

Respectfully submitted,



September 21, 2021  
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)**

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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 activities for the fiscal year ended June 30, 2021.

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, 2021, the School’s revenues exceeded expenses as shown on the School’s statement of activities by \$256,287.
- As shown on the statement of net position, the School reported an unrestricted net position balance of \$5,729.
- As shown on the balance sheet – governmental funds, the School reported a total combined fund balance of \$84,479.

**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**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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**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 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.  
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*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**

	Governmental Activities		
	6-30-20	6-30-21	Increase (Decrease)
<b>ASSETS</b>			
Current and Other Assets	\$ 1,119,936	\$ 494,178	\$ (625,758)
Capital Assets, Net	145,613	173,896	28,283
Total Assets	1,265,549	668,074	(597,475)
<b>LIABILITIES</b>			
Current Liabilities	764,822	409,699	(355,123)
Noncurrent Liabilities	498,639	-	(498,639)
Total Liabilities	1,263,461	409,699	(853,762)
<b>NET POSITION</b>			
Net Investment in Capital Assets	145,613	173,896	28,283
Restricted	-	78,750	78,750
Unrestricted	(143,525)	5,729	149,254
Total Net Position	\$ 2,088	\$ 258,375	\$ 256,287

The assets of the School primarily consist of cash & cash equivalents, amounts due from other agencies, and the School’s investment in capital assets net of accumulated depreciation. Current liabilities consist of vendor accounts payable, salaries and benefits payable, and due to other agencies. The School reported a total net position of \$258,375, which included an unrestricted net position balance of \$5,729.

**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:

	<b>Operating Results for the Year</b>		
	<u>Governmental Activities</u>		
	<u>6-30-20</u>	<u>6-30-21</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>			
Federal Through State and Local	\$ 186,614	\$ 381,835	\$ 195,221
State	4,565,232	4,631,913	66,681
Local and Other	366,361	349,624	(16,737)
Special Item Debt Forgiveness	-	496,820	496,820
<b>Total Revenues</b>	<u>5,118,207</u>	<u>5,860,192</u>	<u>741,985</u>
<b>Expenses:</b>			
Instruction	2,330,494	2,503,912	173,418
Student Support Services	12,397	14,693	2,296
Instruction & Curriculum Development	82,204	66,937	(15,267)
Instructional Staff Training	1,420	2,560	1,140
Instructional Related Technology	59,837	101,185	41,348
Board	43,364	46,659	3,295
General Administration	249,675	265,581	15,906
School Administration	394,959	343,503	(51,456)
Facilities Acquisition & Construction	1,151,158	1,186,171	35,013
Fiscal Services	212,744	211,953	(791)
Central Services	2,066	11,453	9,387
Student Transportation	59,214	139,397	80,183
Operation of Plant	467,933	516,911	48,978
Maintenance of Plant	56,612	71,087	14,475
Administrative Technology Services	334	2,946	2,612
Community Service	153,106	85,448	(67,658)
Debt Service - Interest	1,095	27	(1,068)
Unallocated Depreciation	25,750	33,482	7,732
<b>Total Expenses</b>	<u>5,304,362</u>	<u>5,603,905</u>	<u>299,543</u>
<b>Increase/(Decrease) in Net Position</b>	<u>\$ (186,155)</u>	<u>\$ 256,287</u>	<u>\$ 442,442</u>

The largest revenue source for the School is the State of Florida (86%). 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.

Instruction related expenses were the largest concentration of expenses representing (48%) and Facilities Acquisition & Construction, Operation of Plant, and Maintenance of Plant (31%) consisting of rent expense and operation and maintenance of the School facility.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)**

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**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 \$84,479.

**BUDGETARY HIGHLIGHTS**

The General Fund and Special Revenue Fund budgets for the fiscal year ended June 30, 2021, 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, 2021, 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, 2021, amounts to \$173,896 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures, and equipment, improvements other than buildings, and motor vehicles. Additional information regarding the School's capital assets can be found in 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 2021-22 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, 2021*

	<u>Government Activities</u>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 276,067
Due From Other Agencies	187,497
Accounts Receivable	17,017
Prepaid Items & Deposits	13,597
Capital Assets:	
Improvements Other Than Buildings, Net	104,535
Furniture, Fixtures, and Equipment, Net	67,591
Motor Vehicles, Net	1,770
Total Capital Assets	<u>173,896</u>
<b>TOTAL ASSETS</b>	<u><u>668,074</u></u>
<b>LIABILITIES</b>	
Salaries and Benefits Payable	218,502
Accounts Payable	161,061
Due to Other Agencies	30,136
<b>TOTAL LIABILITIES</b>	<u><u>409,699</u></u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	173,896
Restricted	78,750
Unrestricted	5,729
<b>TOTAL NET POSITION</b>	<u><u>\$ 258,375</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, 2021*

		Program Revenues			Net (Expenses) Revenue and Changes Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 2,503,912	\$ -	\$ 307,458	\$ -	\$ (2,196,454)
Student Support Services	14,693	-	2,455	-	(12,238)
Instruction & Curriculum Development	66,937	-	48,812	-	(18,125)
Instructional Staff Training	2,560	-	-	-	(2,560)
Instructional Related Technology	101,185	-	-	-	(101,185)
Board	46,659	-	-	-	(46,659)
General Administration	265,581	-	-	-	(265,581)
School Administration	343,503	-	-	-	(343,503)
Facilities Acquisition & Construction	1,186,171	-	-	318,511	(867,660)
Fiscal Services	211,953	-	-	-	(211,953)
Central Services	11,453	-	-	-	(11,453)
Student Transportation	139,397	-	-	-	(139,397)
Operation of Plant	516,911	-	17,430	-	(499,481)
Maintenance of Plant	71,087	-	5,680	-	(65,407)
Administrative Technology Services	2,946	-	-	-	(2,946)
Community Service	85,448	95,640	-	-	10,192
Debt Service - Interest	27	-	-	-	(27)
Unallocated Depreciation	33,482	-	-	-	(33,482)
<b>Total Governmental Activities</b>	<b>\$ 5,603,905</b>	<b>\$ 95,640</b>	<b>\$ 381,835</b>	<b>\$ 318,511</b>	<b>(4,807,919)</b>
General Revenue					
State Sources					4,313,402
Local and Other					40,609
Contributions					213,375
Special Item Debt Forgiveness					496,820
Total General Revenues					5,064,206
Change in Net Position					256,287
Net Position - July 1, 2020					2,088
Net Position - June 30, 2021					\$ 258,375

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, 2021*

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 197,637	\$ 78,430	\$ -	\$ 276,067
Due From Other Agencies	-	187,497	-	187,497
Accounts Receivable	17,017	-	-	17,017
Prepaid Items & Deposits	13,597	-	-	13,597
Due from Other Funds	179,638	-	9,982	189,620
Total Assets	\$ 407,889	\$ 265,927	\$ 9,982	\$ 683,798
<b>LIABILITIES</b>				
Salaries and Benefits Payable	\$ 218,502	\$ -	\$ -	\$ 218,502
Accounts Payable	161,061	-	-	161,061
Due to Other Agencies	12,615	7,539	9,982	30,136
Due to Other Funds	9,982	179,638	-	189,620
Total Liabilities	402,160	187,177	9,982	599,319
<b>FUND BALANCES</b>				
Nonspendable	13,597	-	-	13,597
Restricted	-	78,750	-	78,750
Unassigned	(7,868)	-	-	(7,868)
Total Fund Balances	5,729	78,750	-	84,479
Total Liabilities and Fund Balances	\$ 407,889	\$ 265,927	\$ 9,982	\$ 683,798

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, 2021*

<b>Total Fund Balances - Governmental Funds</b>	\$ 84,479
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.	<u>173,896</u>
<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 258,375</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 REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
*For the Fiscal Year Ended June 30, 2021*

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>				
Intergovernmental:				
Federal Through State and Local	\$ -	\$ 381,835	\$ -	\$ 381,835
State	4,313,402	-	318,511	4,631,913
Local and Other	328,817	20,807		349,624
<b>Total Revenues</b>	<b>4,642,219</b>	<b>402,642</b>	<b>318,511</b>	<b>5,363,372</b>
<b>Expenditures</b>				
Current - Education:				
Instruction	2,226,797	277,115	-	2,503,912
Student Support Services	12,238	2,455	-	14,693
Instruction & Curriculum Development	18,125	48,812	-	66,937
Instructional Staff Training	2,560	-	-	2,560
Instructional Related Technology	101,185	-	-	101,185
Board	46,659	-	-	46,659
General Administration	265,581	-	-	265,581
School Administration	343,503	-	-	343,503
Facilities Acquisition & Construction	867,660	-	318,511	1,186,171
Fiscal Services	211,953	-	-	211,953
Central Services	11,453	-	-	11,453
Student Transportation	139,397	-	-	139,397
Operation of Plant	499,481	17,430	-	516,911
Maintenance of Plant	65,407	5,680	-	71,087
Administrative Technology Services	2,946	-	-	2,946
Community Service	64,499	20,949	-	85,448
Fixed Capital Outlay:				
Other Capital Outlay	31,422	30,343	-	61,765
Debt Service:				
Principal	498,639	-	-	498,639
Interest	27	-	-	27
<b>Total Expenditures</b>	<b>5,409,532</b>	<b>402,784</b>	<b>318,511</b>	<b>6,130,827</b>
Excess/(Deficiency) of Revenues				
Over Expenditures	(767,313)	(142)	-	(767,455)
Other Financing Sources (Uses):				
Special Item Debt Forgiveness	496,820	-	-	496,820
Transfers In/(Out)	(78,892)	78,892	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>417,928</b>	<b>78,892</b>	<b>-</b>	<b>496,820</b>
<b>Net Change in Fund Balances</b>	<b>(349,385)</b>	<b>78,750</b>	<b>-</b>	<b>(270,635)</b>
Fund Balances, July 1, 2020	355,114	-	-	355,114
<b>Fund Balances, June 30, 2021</b>	<b>\$ 5,729</b>	<b>\$ 78,750</b>	<b>\$ -</b>	<b>\$ 84,479</b>

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 STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2021*

**Net Change in Fund Balances - Governmental Funds** \$ (270,635)

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 expense.

Capital Outlays	61,765	
Depreciation Expense	(33,482)	28,283

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.

498,639

**Change in Net Position - Governmental Activities**

\$ 256,287

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, 2021**

**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 effective until June 30, 2018, and is subject to annual review and may be renewed by mutual agreement between the School and the District. The District renewed the School’s charter agreement through June 30, 2022. 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

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

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

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

The School's major governmental funds are as follows:

- General Fund – 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

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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. 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, are not recognized in governmental funds.

➤ **Recently Issued Accounting Principles**

The School implemented GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether an entity is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists.

School internal funds are those funds received on behalf of students in connection with school, athletic, class, and club activities. The School's control over these funds preclude the School from reporting these activities in a Custodial Fund. Guidance provided by the Florida DOE requires these activities be reported in a Special Revenue Fund. As such, all internal fund transactions have been reported in the special revenue fund beginning in the fiscal year 2020-2021.

➤ **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 \$1,000. Such assets are recorded at historical cost or

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estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated 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

➤ **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, 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:

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- 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.
- 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

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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., Florida Statutes. For the fiscal year ended June 30, 2021, the School reported 590.05 unweighted FTE and 630.42 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.

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➤ **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 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**

Included in the accounts receivable balance reported in the statement of net position and the balance sheet – governmental funds, the School reported a receivable of \$4,973 due from The Charter School at Waterstone, a charter school operating under the same management company, as a result of money advanced for shared expenses. The School expects to receive full payment within one year from the financial statement date and no allowance for bad debt has been established.

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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 Florida Department of Education under the Charter School Capital Outlay Program recorded in the Capital Projects Fund and amounts due from the School District of Broward County for reimbursement of expenses related to 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:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Improvements Other than Buildings	\$ 132,972	\$ -	\$ -	\$ 132,972
Furniture, Fixtures and Equipment	107,455	61,765	-	169,220
Motor Vehicles	5,313	-	-	5,313
Total Capital Assets	<u>245,740</u>	<u>61,765</u>	<u>-</u>	<u>307,505</u>
Less Accumulated Depreciation for:				
Improvements Other than Buildings	(18,077)	(10,360)	-	(28,437)
Furniture, Fixtures and Equipment	(79,570)	(22,059)	-	(101,629)
Motor Vehicles	(2,480)	(1,063)	-	(3,543)
Total Accumulated Depreciation	<u>(100,127)</u>	<u>(33,482)</u>	<u>-</u>	<u>(133,609)</u>
Governmental Activities Capital Assets, net	<u>\$ 145,613</u>	<u>\$ 28,283</u>	<u>\$ -</u>	<u>\$ 173,896</u>

All depreciation expense was shown as unallocated on the Statement of Activities.

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2021, the School's Special Revenue Fund owed the General Fund \$179,638 for expenditures awaiting disbursement, and the General fund owed the Capital Projects Fund \$9,982 for capital funds received, but not yet expended. The School's General Fund transferred \$78,892 to the Special Revenue Fund for money held from the School's internal accounts as prescribed by new accounting pronouncement GASB 84 which requires school internal accounts be accounted for in a special revenue fund. The amounts of interfund receivables, payables, and transfers 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 \$9,475 as a result of shared expenditures paid by Valrico Lake Academy (\$6,410), Everglades Preparatory Academy (\$794), and The Charter School at Waterstone (\$2,271), charter schools operated by the same charter-holder. Amounts are expected to be paid within one year.

**8. SPECIAL ITEM DEBT FORGIVENESS**

The School was granted a loan from Bank of America in May 2020 in the amount of \$496,820, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act. The School met the qualifications for loan forgiveness under the PPP and was provided repayment forgiveness in February 2021. Revenue of \$496,820 was recorded in the statement of activities and the statement of revenues, expenditures and changes in fund balances – governmental funds Special Item Debt Forgiveness.

**9. CHANGES IN LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Deductions	Ending Balance
<b>GOVERNMENTAL ACTIVITIES:</b>				
Loan Payable	\$ 498,639	\$ -	\$ (498,639)	\$ -
Total Governmental Activities	\$ 498,639	\$ -	\$ (498,639)	\$ -

**10. SCHEDULE OF STATE REVENUE SOURCES**

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

Source	Amount
Florida Education Finance Program	\$ 3,502,785
Categorical Programs:	
Class Size Reduction	704,613
Charter School Capital Outlay	318,511
Miscellaneous	106,004
Total State Revenue	\$ 4,631,913

As provided in the charter school contract, the District has charged the School an administrative fee totaling \$89,133.

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**11. 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.

**12. OPERATING AGREEMENT**

The School entered into an agreement July 1, 2016, for a term of five years. The term of the agreement may be extended for a period up to five years, or a term equal to the School's charter renewal, should the parties decide that it is in the best interest of the School to continue the agreement. The management contract calls for Charter School Associates, Inc. (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 management 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. The Management Fee is paid in monthly installments and total fees related to the contract for the year ended June 30, 2021, was \$387,651. The total amount paid was \$179,893 with \$207,802 of the fees forgiven by CSA.

**13. FACILITY LEASES**

The School entered into a 25-year operating lease for its educational facility beginning August 1, 2016, through July 31, 2041. Effective September 1, 2017, the lease was amended to reduce the monthly rent. The amended lease requires monthly payments and includes annual increases in accordance with the agreement through July 2041. 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. Rental expenditures under this lease agreement for the fiscal year were \$1,183,721.

The following is a schedule by years of future minimum rental payments required under operating leases that have remaining lease terms in excess of one year.

Fiscal Year Ending June 30:	Minimum Payments
2022	\$ 1,130,107
2023	1,161,182
2024	1,193,115
2025	1,225,928
2026	1,259,643
2027-2031	6,837,237
2032-2036	7,830,493
2037-2041	8,968,080
Total	<u>\$29,605,785</u>

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**14. SCHOOL FOOD SERVICE AGREEMENT**

In July 2017, the School entered into an agreement with The Charter School at Waterstone, a charter school operated by the same charter-holder, 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.

**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.

**16. PENSION PLAN**

The School participates in a defined contribution tax sheltered annuity 401(k) plan for participating employees. Contributions made by the School totaled \$4,308 for the year ended June 30, 2021, 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.

**17. 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, 2021, 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.

**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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**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND MAJOR SPECIAL REVENUE FUND (UNAUDITED)**  
*For the Fiscal Year Ended June 30, 2021*

	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)
<b>Revenues:</b>								
Intergovernmental:								
Federal Through State and Local State	\$ -	\$ -	\$ -	\$ -	\$ 186,614	\$ 381,835	\$ 381,835	\$ -
Local and Other	4,368,990	4,313,402	4,313,402	-	-	-	-	-
Total Revenues	<u>4,605,664</u>	<u>4,642,219</u>	<u>4,642,219</u>	<u>-</u>	<u>186,614</u>	<u>402,642</u>	<u>402,642</u>	<u>-</u>
<b>Expenditures:</b>								
Current - Education:								
Instruction	2,194,626	2,226,797	2,226,797	-	120,259	277,115	277,115	-
Student Support Services	17,832	12,238	12,238	-	594	2,455	2,455	-
Instruction & Curriculum Development	7,311	18,125	18,125	-	65,761	48,812	48,812	-
Instructional Staff Training	4,232	2,560	2,560	-	-	-	-	-
Instructional Related Technology	65,901	101,185	101,185	-	-	-	-	-
Board	43,798	46,659	46,659	-	-	-	-	-
General Administration	260,127	265,581	265,581	-	-	-	-	-
School Administration	398,921	343,503	343,503	-	-	-	-	-
Facilities Acquisition & Construction	826,781	867,660	867,660	-	-	-	-	-
Fiscal Services	210,770	211,953	211,953	-	-	-	-	-
Central Services	-	11,453	11,453	-	-	-	-	-
Student Transportation	58,721	139,397	139,397	-	-	-	-	-
Operation of Plant	498,592	499,481	499,481	-	-	17,430	17,430	-
Maintenance of Plant	57,178	65,407	65,407	-	-	5,680	5,680	-
Administrative Technology Services	337	2,946	2,946	-	-	-	-	-
Community Service	134,806	64,499	64,499	-	-	20,949	20,949	-
Fixed Capital Outlay:								
Other Capital Outlay	10,737	31,422	31,422	-	-	30,343	30,343	-
Debt Service:								
Principal	1,818	498,639	498,639	-	-	-	-	-
Interest	27	27	27	-	-	-	-	-
Total Expenditures	<u>4,792,515</u>	<u>5,409,532</u>	<u>5,409,532</u>	<u>-</u>	<u>186,614</u>	<u>402,784</u>	<u>402,784</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(186,851)</u>	<u>(767,313)</u>	<u>(767,313)</u>	<u>-</u>	<u>-</u>	<u>(142)</u>	<u>(142)</u>	<u>-</u>
Other Financing Sources (Uses):								
Special Item Debt Forgiveness	-	496,820	496,820	-	-	-	-	-
Transfers (Out)	-	(78,892)	(78,892)	-	-	78,892	78,892	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>417,928</u>	<u>417,928</u>	<u>-</u>	<u>-</u>	<u>78,892</u>	<u>78,892</u>	<u>-</u>
Net Change in Fund Balances	<u>(186,851)</u>	<u>(349,385)</u>	<u>(349,385)</u>	<u>-</u>	<u>-</u>	<u>78,750</u>	<u>78,750</u>	<u>-</u>
Fund Balances, July 1, 2020	355,114	355,114	355,114	-	-	-	-	-
Fund Balances, June 30, 2021	<u>\$ 168,263</u>	<u>\$ 5,729</u>	<u>\$ 5,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,750</u>	<u>\$ 78,750</u>	<u>\$ -</u>

See Independent Auditor's Report.

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2021**

**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.



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**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 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, each major fund, and the aggregate remaining fund information 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, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 21, 2021.

**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") to determine the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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 compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

Respectfully submitted,

King & Walker, CPAs

September 21, 2021  
Tampa, Florida



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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, 2021, and have issued our report thereon dated September 21, 2021.

**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 21, 2021, 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.

Respectfully submitted,

 King & Walker, CPAs

September 21, 2021  
Tampa, Florida