

Imagine Schools – Chancellor Campus

(A Division of the Learning Excellence Foundation
of South Palm Beach County, Inc.)

Basic Financial Statements
and Supplementary Information
For the Year Ended June 30, 2021



**Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Learning Excellence Foundation of South Palm Beach County, Inc.

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 Imagine Schools - Chancellor Campus (the "School"), a division of the Learning Excellence Foundation of South Palm Beach County, Inc. (the "Charterholder"), 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 *Government 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 entity'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 entity'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 opinions.

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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1, the accompanying financial statements of the School are intended to present the financial position at June 30, 2021 and the respective changes in financial position for the year then ended of Imagine Schools – Chancellor Campus, and is not intended to be a complete presentation of the Charterholder.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2021, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 21, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS



Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Management's Discussion and Analysis
June 30, 2021

As management of Imagine Schools - Chancellor Campus (the "School"), which is a division of the Learning Excellence Foundation of South Palm Beach County, Inc. (the "Charterholder"), we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the years ended June 30, 2021 and 2020.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the current position of the School's financial condition. Since the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the basic financial statements found starting on page 8.

Financial Highlights

The following are the highlights of financial activity for the year ended June 30, 2021.

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$ 2,711,746 (net position).
- The School's total net position increased by \$ 312,999 over prior year.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$ 446,470.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$ 258,703.

Overview of the Financial Statements

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

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

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

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

**Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Management's Discussion and Analysis
June 30, 2021**

The government-wide financial statements distinguish functions of the School that are principally supported by the district, state, and federal funding (governmental activities). The School does not have any business-type activities. Basic and exceptional instruction and transportation services are examples of the School's governmental activities.

The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

The School adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and major Special Revenue Fund to demonstrate compliance with this budget and can be found on pages 23 through 24 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 14 of this report.

Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Management's Discussion and Analysis
June 30, 2021

Government-Wide Financial Analysis:

As noted previously, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, for the years ended June 30, 2021 and 2020, assets exceeded liabilities by \$ 2,711,746 (net position) and \$ 2,398,747 (net position), respectively.

The largest portion of the School's net position reflects its net investment in capital assets (e.g., land, building/leasehold improvements, furniture, fixtures and equipment, audio visual equipment, and information technology equipment). The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

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

Imagine Schools - Chancellor Campus
Summary of Net Position

	Governmental Activities	
	2021	2020
Assets:		
Current assets	\$ 1,246,357	\$ 898,675
Capital assets, net of accumulated depreciation	2,066,521	2,018,559
Total assets	3,312,878	2,917,234
Liabilities:		
Current liabilities	601,132	518,487
Total liabilities	601,132	518,487
Net Position:		
Net investment in capital assets	2,066,521	2,018,559
Unrestricted	645,225	380,188
Total net position	\$ 2,711,746	\$ 2,398,747

The increase in current assets is due to an outstanding balance due from other governments stemming from the Elementary and Secondary School Emergency Relief Fund (ESSER) at year-end. In addition, a note payable was paid off in 2020 reducing the use of current resources in 2021. The increase in liabilities relates to an increase in accrued payroll and benefits and the unearned revenues related to summer school and camps that began again in 2021 after a pause in 2020 due to COVID-19.

Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Management's Discussion and Analysis
June 30, 2021

Imagine Schools - Chancellor Campus
Summary of Statement of Activities

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 200,985	\$ 300,025
Operating grants and contributions	258,455	314,513
Capital grants and contributions	546,338	527,999
General revenues:		
State passed through local school district	7,977,068	7,677,494
Other revenues	113,662	237,792
Total revenues	<u>9,096,508</u>	<u>9,057,823</u>
Functions/Program Expenses:		
Basic instruction	3,862,627	4,236,758
Exceptional instruction	344,670	340,534
Guidance services	65,640	66,312
Media services	41,125	38,771
Curriculum development	178,573	196,272
Board of directors	34,553	42,906
School administration	1,397,929	1,401,585
Central services	199,375	36,294
Transportation	105,445	83,832
Operation of plant	2,386,632	2,269,609
Maintenance of plant	120,614	121,000
Community services	46,326	133,753
Interest on long-term debt	-	2,181
Total expenses	<u>8,783,509</u>	<u>8,969,807</u>
Change in net position	<u>312,999</u>	<u>88,016</u>
Net position, beginning of year	<u>2,398,747</u>	<u>2,310,731</u>
Net position, end of year	<u>\$ 2,711,746</u>	<u>\$ 2,398,747</u>

The decrease in charges for services and other revenues is mostly due to reduced summer camp enrollment, as well as before/after school care enrollment, resulting from restrictions brought on by COVID-19 at the beginning of the school year. State passed through local school district revenues increased due to additional funding from the School District of Palm Beach County, including teacher salary increase and total funds compression allocation. The ESSER(I) award accounted for most of the funding included under operating grants and contributions. The reduction in basic instruction is due to less staffing required because the School utilized teacher aides rather than traditional substitutes and the absence of the Best and Brightest Teacher Scholarship in the current year; also field trips and related instruction was significantly reduced in 2021. Central services include the acquisition of chromebooks and other equipment aid at enhancing the remote learning experience. Operation of plant expenses increased in the current year due to higher insurance premiums, as well as increases in security, sanitation and supplies due to enhanced COVID-19 protocols.

Imagine Schools - Chancellor Campus
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Management's Discussion and Analysis
June 30, 2021

Governmental activities: Governmental activities increased the School's net position by \$ 312,999 for the year ended June 30, 2021. The increase in net position is primarily due to decreases in total expenses. The largest decreases in expenses were for basic instruction and community services.

Financial Analysis of the Government's Funds: As noted previously, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The general fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the general fund was \$ 258,703 and non-spendable fund balance for prepaids and deposits was \$ 43,767. Assigned fund balances for future technology improvements, lake and road maintenance, and roof and HVAC maintenance were \$ 10,000, \$ 85,000, and \$ 49,000, respectively. The fund balance of the School's general fund has increased by \$ 66,282 from the prior year.

General Fund Budgetary Highlights

The actual revenues were more than budgeted revenues by \$ 351,545. The actual expenditures were more than budgeted expenditures by \$ 86,508. The general fund budgetary information can be found on page 23 of this report.

Capital Asset and Debt Administration

Capital assets: The School's investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$ 2,066,521. This investment in capital assets includes land, land improvements, building/leasehold improvements, furniture, fixture and equipment, audio visual equipment, and information technology software and equipment. Additional information on the School's capital assets can be found in Note 4.

Economic Factors: A majority of the School's funding is determined by the number of enrolled students. The School is forecasting enrollment to remain at approximately 1,040 students for the 2021/2022 school year.

Request for Information. This financial report is designed to provide a general overview of the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Stephanie Standley, Principal, at 3333 High Ridge Road, Boynton Beach, FL 33426.

BASIC FINANCIAL STATEMENTS

Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets:	
Current Assets:	
Cash	\$ 910,716
Accounts receivable	2,115
Due from other governments	242,849
Due from management company, net	46,910
Prepaid expenses and deposits	<u>43,767</u>
Total current assets	<u>1,246,357</u>
Capital Assets:	
Capital assets not being depreciated	1,259,432
Capital assets being depreciated, net	<u>807,089</u>
Total capital assets, net	<u>2,066,521</u>
Total assets	<u>3,312,878</u>
Liabilities:	
Current liabilities :	
Accounts payable	71,490
Accrued payroll and benefits	493,642
Unearned revenue	<u>36,000</u>
Total liabilities	<u>601,132</u>
Net Position:	
Net investment in capital assets	2,066,521
Unrestricted	<u>645,225</u>
Total net position	\$ <u><u>2,711,746</u></u>

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

Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Statement of Activities
For the Year Ended June 30, 2021

	<u>Program Revenues</u>				Governmental
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Activities
					Net Revenue (Expense) and Changes in Net Position
Functions/Programs:					
Basic instruction	\$ 3,862,627	\$ 40,636	\$ 29,455	\$ -	\$ (3,792,536)
Exceptional instruction	344,670	-	-	-	(344,670)
Guidance services	65,640	-	-	-	(65,640)
Media services	41,125	-	-	-	(41,125)
Curriculum development	178,573	-	-	-	(178,573)
Board of directors	34,553	-	-	-	(34,553)
School administration	1,397,929	-	12,168	-	(1,385,761)
Central services	199,375	-	173,300	-	(26,075)
Transportation	105,445	-	42,740	-	(62,705)
Operation of plant	2,386,632	-	792	546,338	(1,839,502)
Maintenance of plant	120,614	-	-	-	(120,614)
Community services	46,326	160,349	-	-	114,023
Total governmental activities	\$ 8,783,509	\$ 200,985	\$ 258,455	\$ 546,338	(7,777,731)
General revenues:					
State passed through local school district					7,977,068
Other revenues					113,662
Total general revenues					8,090,730
Change in net position					312,999
Net position, July 1, 2020					2,398,747
Net position, June 30, 2021					\$ 2,711,746

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

Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Balance Sheet - Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Capital Outlay Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets:				
Cash	\$ 910,716	\$ -	\$ -	\$ 910,716
Accounts receivable	2,115	-	-	2,115
Due from other governments	-	44,094	198,755	242,849
Due from other funds	44,094	-	-	44,094
Due from management company, net	46,910	-	-	46,910
Prepaid items and deposits	43,767	-	-	43,767
	<u>1,047,602</u>	<u>44,094</u>	<u>198,755</u>	<u>1,290,451</u>
Total assets	\$ <u>1,047,602</u>	\$ <u>44,094</u>	\$ <u>198,755</u>	\$ <u>1,290,451</u>
Liabilities:				
Accounts payable	\$ 71,490	\$ -	\$ -	\$ 71,490
Accrued payroll and benefits	493,642	-	-	493,642
Unearned revenues	36,000	-	-	36,000
Due to other funds	-	44,094	-	44,094
	<u>601,132</u>	<u>44,094</u>	<u>-</u>	<u>645,226</u>
Total liabilities	<u>601,132</u>	<u>44,094</u>	<u>-</u>	<u>645,226</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	198,755	198,755
	<u>-</u>	<u>-</u>	<u>198,755</u>	<u>198,755</u>
Fund Balances:				
Nonspendable:				
Prepaid items and deposits	43,767	-	-	43,767
Assigned to:				
Technology improvements	10,000	-	-	10,000
Lake and road maintenance	85,000	-	-	85,000
Roof and HVAC maintenance	49,000	-	-	49,000
Unassigned	258,703	-	-	258,703
	<u>446,470</u>	<u>-</u>	<u>-</u>	<u>446,470</u>
Total fund balances	<u>446,470</u>	<u>-</u>	<u>-</u>	<u>446,470</u>
Total liabilities and fund balances	\$ <u>1,047,602</u>	\$ <u>44,094</u>	\$ <u>198,755</u>	\$ <u>1,290,451</u>

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

Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021

Total Fund Balances - Governmental Funds, Page 10 \$ 446,470

The net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation, among the assets for the School as a whole.

Cost of capital assets	\$ 3,091,396	
Less accumulated depreciation	<u>(1,024,875)</u>	2,066,521

Unavailable revenue in the governmental fund is susceptible to full accrual in the government-wide statements.		<u>198,755</u>
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Net Position of Governmental Activities, Page 8 \$ 2,711,746

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

Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2021

	<u>General Fund</u>	<u>Capital Outlay Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues:				
State passed through local school district	\$ 8,036,768	\$ 546,338	\$ -	\$ 8,583,106
Charges for services	200,985	-	-	200,985
Other local revenues	113,662	-	-	113,662
Total revenues	<u>8,351,415</u>	<u>546,338</u>	<u>-</u>	<u>8,897,753</u>
Expenditures:				
Current:				
Basic instruction	3,862,627	-	-	3,862,627
Exceptional instruction	344,670	-	-	344,670
Guidance services	65,640	-	-	65,640
Media services	41,125	-	-	41,125
Curriculum development	178,573	-	-	178,573
Board of directors	34,553	-	-	34,553
School administration	1,326,542	-	12,168	1,338,710
Central services	26,075	-	173,300	199,375
Transportation	105,445	-	-	105,445
Operation of plant	1,800,023	546,338	792	2,347,153
Maintenance of plant	120,614	-	-	120,614
Community services	46,326	-	-	46,326
Capital outlay	134,165	-	12,495	146,660
Total expenditures	<u>8,086,378</u>	<u>546,338</u>	<u>198,755</u>	<u>8,831,471</u>
Excess (deficiency) of revenues over expenditures	<u>265,037</u>	<u>-</u>	<u>(198,755)</u>	<u>66,282</u>
Other Financing Sources (Uses):				
Transfer in	-	-	198,755	198,755
Transfer out	(198,755)	-	-	(198,755)
Total other financing sources (uses)	<u>(198,755)</u>	<u>-</u>	<u>198,755</u>	<u>-</u>
Net changes in fund balances	66,282	-	-	66,282
Fund Balances, July 1, 2020	<u>380,188</u>	<u>-</u>	<u>-</u>	<u>380,188</u>
Fund Balances, June 30, 2021	<u>\$ 446,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,470</u>

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

**Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021**

Changes in Fund Balances - Governmental Funds, Page 12 \$ 66,282

The change in net position reported for governmental activities in the statement of activities is different because:

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

Cost of capital assets, net of transfers	146,660	
Provision for depreciation	<u>(98,698)</u>	47,962

Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently in the governmental fund financial statements when they become available.

198,755

Change in Net Position of Governmental Activities, Page 9 \$ 312,999

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

Note 1 - Organization and Operations

Imagine Schools - Chancellor Campus (the "School") is a division of the Learning Excellence Foundation of South Palm Beach County, Inc. (the "Charterholder"), a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors, which is comprised of eight members. The financial information presented is that of Imagine Schools - Chancellor Campus only and is not intended to be a complete presentation of the Charterholder.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, which is the School District of Palm Beach County, Florida (the "District"). The charter may be renewed by mutual agreement between the School and the District. The charter was amended and renewed in June 2019 and is effective until June 30, 2029. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown.

The School's entire workforce is provided by the operating company; therefore, all benefits are provided by the operating company.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board; and it is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or impose specific financing burdens on the School. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the basic financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable, which would require inclusion in the School's basic financial statements.

Basis of presentation: Based on the guidance presented in the American Institute of Certified Public Accountants Audit and Accounting Guide - Not-for-Profit Organizations and the provisions of Section 228.056, Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

Government-wide financial statements: Government-wide financial statements, including the statement of net position and a statement of activities, present information about the School as a whole. Both statements report only governmental activities as the School does not engage in any business-type activities.

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

Note 2 - Summary of Significant Accounting Policies (continued)

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 reports the following major governmental funds:

- **General Fund** - This fund is used to account for all operating activities of the School except for those required to be accounted for in another fund.
- **Capital Outlay Fund** - This fund accounts for all resources for the leasing or acquisition of capital facilities by the School to the extent funded by capital outlay funds.
- **Special Revenue Fund** - This fund is used to account primarily for certain federal grants and certain state grants that are legally restricted to expenditures for particular purposes.

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.

Governmental fund financial statements are prepared using a current financial resources measurement focus on a modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined and available means 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 sixty days of the end of the current period. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for, and as applicable, principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Cash: The School considers all demand accounts and money market funds which are not subject to withdrawal restriction to be cash. The School maintains its cash account with one financial institution which, at times, may exceed the federally insured limit. The School has not experienced any losses in such account and does not believe it is exposed to any significant credit risk.

Note 2 - Summary of Significant Accounting Policies (continued)

Receivables: Receivables include program receivables and amounts due from other agencies. The School's management determined that the receivable balances are deemed to be fully collectible. Therefore, no allowance for doubtful accounts has been provided.

Due to and due from other funds: Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Prepaid items: Payments made to vendors for services that will benefit future accounting periods are recorded as prepaid items, and accounted under the consumption method.

Capital assets: Capital assets are reported in the governmental column on the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than \$ 750 and an estimated useful life of more than two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are expensed as incurred.

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

Computer software	3
Information technology equipment	3 - 10
Furniture, fixtures, and equipment	5 - 10
Building improvements	5 - 20
Audio visual equipment	5 - 10
Leasehold improvements	7 - 40
Land improvements	40

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The School has one item that qualifies for reporting in this category. The governmental fund reports unavailable revenues that are deferred and recognized as an inflow of resources in the period that the amounts become available.

Unearned revenue: Unearned revenue arises when assets are received before revenue recognition has been satisfied.

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

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

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Income taxes: The School is a division of a nonprofit corporation. Revenue of the School is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements.

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

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

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

- Nonspendable - this classification includes amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact (such as inventory and prepaid expenses).

Note 2 - Summary of Significant Accounting Policies (continued)

- Restricted - this classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.
- Committed - this classification includes amounts that can be used for specific purposes voted on through formal action of the Board of Directors (the highest level of decision making authority). The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.
- Assigned - this classification includes amounts the Board of Directors, or an official or body to which the Board of Directors delegates the authority, intend to use for a specific purpose but they are neither restricted nor committed.
- Unassigned - this classification includes amounts that have not been restricted, committed or assigned for a specific purpose with the General Fund.

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

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

Budget: An operating budget is adopted and maintained by the governing board for the School pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the basic financial statements.

Date of management review: Subsequent events were evaluated by management through September 21, 2021, which is the date the financial statements were available to be issued.

Note 3 - Deposits

At June 30, 2021, the carrying value of the School's deposits and cash on hand totaled approximately \$ 910,700 and the bank balance was \$ 920,813.

State statutes require, and it is the School's policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as "qualified public depositories" as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School's deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2021. In addition, deposits are insured by the FDIC up to \$ 250,000 per financial institution.

Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Notes to Basic Financial Statements
June 30, 2021

Note 4 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2021 are as follows:

	Balance July 1, 2020	Additions and Transfers	Deletions and Transfers	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 1,259,432	\$ -	\$ -	\$ 1,259,432
Total capital assets, not being depreciated	<u>1,259,432</u>	<u>-</u>	<u>-</u>	<u>1,259,432</u>
Capital assets being depreciated:				
Building improvements	287,653	111,859	-	399,512
Land improvements	369,218	-	-	369,218
Leasehold improvements	517,744	-	-	517,744
Furniture, fixtures and equipment	197,221	8,949	-	206,170
Audio visual equipment	10,734	-	-	10,734
Computer software	7,058	-	-	7,058
Information technology equipment	295,676	25,852	-	321,528
Total capital assets, being depreciated	<u>1,685,304</u>	<u>146,660</u>	<u>-</u>	<u>1,831,964</u>
Total capital assets	<u>2,944,736</u>	<u>146,660</u>	<u>-</u>	<u>3,091,396</u>
Less accumulated depreciation:				
Building improvements	132,848	42,626	-	175,474
Land improvements	46,922	9,230	-	56,152
Leasehold improvements	313,460	17,191	-	330,651
Furniture, fixtures and equipment	150,233	13,362	-	163,595
Audio visual equipment	7,359	1,189	-	8,548
Computer software	7,058	-	-	7,058
Information technology equipment	268,297	15,100	-	283,397
Total accumulated depreciation	<u>926,177</u>	<u>98,698</u>	<u>-</u>	<u>1,024,875</u>
Total governmental activities capital assets, net	<u>\$ 2,018,559</u>	<u>\$ 47,962</u>	<u>\$ -</u>	<u>\$ 2,066,521</u>

Provision for depreciation was charged to governmental activities as follows:

Operation of plant	\$ 39,479
School administration	<u>59,219</u>
	<u>\$ 98,698</u>

Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Notes to Basic Financial Statements
June 30, 2021

Note 5 - Concentrations

Revenue sources: As stated in Note 2, the School receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources and amounts:

<u>Sources</u>	<u>Amounts</u>
School District of Palm Beach County, Florida:	
Base funding	\$ 4,990,834
Class size reduction	1,255,296
Discretionary local effort	805,595
ESE guaranteed allocation	296,890
Supplemental academic instruction	234,277
Teacher salary increase	181,196
Instructional materials allocation	80,586
Safe schools allocation	61,062
Total funds compression allocation	51,067
Reading allocation	44,608
Student transportation	42,740
Mental health assistance allocation	34,565
Digital classrooms allocation	795
Proration to funds available	(21,214)
District administration fee	(38,489)
Subtotal	<u>8,019,808</u>
Capital outlay	546,338
Florida teacher lead program	<u>16,960</u>
Total through the School District of Palm Beach County, Florida	8,583,106
Local revenues:	
Before/after school care	160,349
Other	113,662
Summer program and other fees	<u>40,636</u>
Total revenues	<u>\$ 8,897,753</u>

Note 6 - Commitments

Operating agreement: An amended and restated operating agreement was made and entered into in November 2009. The agreement calls for an administrative allocation equal to 8.75% of full time equivalent generated revenue and capital outlay funding. Current year management fees charged to operations totaled approximately \$ 737,000.

In the event there are not sufficient funds to pay certain operating expenditures, the operating company will provide operating advances to cover such shortfalls. The operating company shall be reimbursed for such advances on the first date of each month in which funds reside in the School's operating account for which not otherwise reserved by the operating budget. At the end of each fiscal year, any advances that cannot be reimbursed by current year revenue may be considered a contribution from the operating company. There were no amounts contributed to the School for the year ended June 30, 2021.

Facilities: In April 2009, the School signed a lease for a facility that was occupied beginning with the 2010-2011 school year. Terms of the lease agreement require equal monthly installments of one-twelfth (1/12) of the base rent. The base rent will increase annually by a specified amount for the next twenty-five (25) years which has been predetermined in the lease agreement. In July, 2013, a second amendment was executed revising the base rent starting in 2014 through the term of the lease. The base rent will be based on the School achieving the following; (a) obtain and retain a charter from the Palm Beach County School Board for a term of at least fifteen years, (b) achieve at least a "B" grade on the FCAT (or an equivalent grade or score on any subsequent academic proficiency evaluation of charter schools implemented by the Florida Department of Education and the Palm Beach County School Board) for the previous School Year ("Academic Proficiency"), and (c) an enrollment of 98% of the maximum enrollment permitted under the charter contract with the Palm Beach County School Board or 980 or more charter school students, whichever is greater. The amendment provides two base lease fee schedules in which the School will receive a reduced annual lease fee for meeting the above standards. Current year facility use fee expense totaled approximately \$ 1,611,000. The current charter agreement expires in June 30, 2029 and the future base rents are only reported through that date. The future base rents under the term of the lease have been calculated on the higher lease fees for conservatism and are as follows:

Year Ending June 30,	Amount
2022	\$ 1,675,300
2023	1,717,200
2024	1,760,000
2025	1,803,900
2026	1,848,900
2027-2029	5,828,400
	<u>\$ 14,633,700</u>

Annual payments after 2029, and through lease expiration (school year 2034-2035), are approximately \$ 2 million.

Note 7 - Related Parties

Operating agreement: The School has entered into agreements with an operating company. The operating company is responsible for organizing, developing, managing, staffing and operating the School. During the current year, the operating company charged fees to the School for operating services as described in Note 6.

Due from/to management company: The School shares certain personnel with the operating company. A portion of their salaries, as well as other items, are allocated to each on a cost reimbursement basis. The total net amount charged to the operating company amounted to approximately \$ 40,000 for the year ended June 30, 2021.

Note 8 - Retirement Plan

The School, through an operating company (Note 7), offers a 401(k) retirement savings plan. Participants are allowed to make contributions to the plan up to the maximum permitted by the Internal Revenue Code. The School is currently reimbursing the operating company for matching contributions up to 5% of compensation for participating personnel. For the year ended June 30, 2021, the School contributed approximately \$ 125,000.

Note 9 - Risk Management

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no claims in excess of insurance coverage limits during the previous three years. The operating company employs all of the employees of the School. As a result, the School is not directly exposed to medical or workers' compensation claims for these individuals.

Note 10 - Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events and overall reduction in business and economic activity. On March 2020, the *World Health Organization* designated the coronavirus outbreak a pandemic. Management and the Board of Directors continue to evaluate and monitor the potential adverse effect that this event may have on the School's financial position, operations and cash flows. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

REQUIRED SUPPLEMENTARY INFORMATION

Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Schedule of Revenues and Expenditures - Budget and Actual - General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
FTE funding	\$ 7,710,600	\$ 7,831,580	\$ 8,019,808	\$ 188,228
Other state revenues	17,900	17,900	16,960	(940)
Supplemental fee revenues	551,940	150,390	314,647	164,257
Total revenues	8,280,440	7,999,870	8,351,415	351,545
Expenditures:				
School operations:				
Salaries and benefits	4,651,690	4,593,590	4,780,440	(186,850)
School services expenditures	670,093	535,118	518,624	16,494
Direct educational expenditures	198,195	211,840	252,820	(40,980)
General and administrative	317,485	275,545	303,801	(28,256)
Marketing and enrollment	1,830	-	-	-
Facility operating expenditures	365,599	395,591	295,854	99,737
Total school operations	6,204,892	6,011,684	6,151,539	(139,855)
Facility operations:				
Facility use fee	1,083,703	1,046,476	1,064,167	(17,691)
Contingency	120,300	120,300	-	120,300
Indirect costs	715,545	725,510	736,507	(10,997)
Capital outlay	156,000	95,900	134,165	(38,265)
Total facility operations	2,075,548	1,988,186	1,934,839	53,347
Total expenditures	8,280,440	7,999,870	8,086,378	(86,508)
Excess (deficiency) of revenues over expenditures	-	-	265,037	265,037
Other Financing Sources (Uses):				
Transfer out	-	-	(198,755)	(198,755)
Total other financing sources (uses)	-	-	(198,755)	(198,755)
Net change in fund balance	\$ -	\$ -	\$ 66,282	\$ 66,282

Imagine Schools - Chancellor Campus
(A Division of Learning Excellence Foundation of South Palm Beach County, Inc.)
Schedule of Revenues and Expenditures - Budget and Actual - Special Revenue Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Federal passed through local school district	\$ 38,500	\$ 38,500	\$ -	\$ (38,500)
Total revenues	38,500	38,500	-	(38,500)
Expenditures:				
School services expenditures	38,500	38,500	-	38,500
Direct educational expenditures	-	-	12,960	(12,960)
General and administrative	-	-	173,300	(173,300)
Capital outlay	-	-	12,495	(12,495)
Total expenditures	38,500	38,500	198,755	(160,255)
Excess (deficiency) of revenues over expenditures	-	-	(198,755)	(198,755)
Other Financing Sources (Uses):				
Transfer in	-	-	198,755	198,755
Total other financing sources (uses)	-	-	198,755	198,755
Net change in fund balance	\$ -	\$ -	\$ -	\$ -

OTHER INDEPENDENT AUDITOR'S REPORTS



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

To the Board of Directors
Learning Excellence Foundation of South Palm Beach County, Inc.

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 Imagine Schools - Chancellor Campus (the "School"), a division of the Learning Excellence Foundation of South Palm Beach County, Inc. (the "Charterholder"), 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) as a basis for designing 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 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 charge 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 its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 21, 2021

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors
Learning Excellence Foundation of South Palm Beach County, Inc.

Report on the Financial Statements

We have audited the basic financial statements of Imagine Schools - Chancellor Campus (the "School"), a division of the Learning Excellence Foundation of South Palm Beach County, Inc. (the "Charterholder"), as of and for the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of United States and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 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 recommendations made in the preceding audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education are Imagine Schools - Chancellor Campus and 503381.

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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 the review of financial information provided by same.

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

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such 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 and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 21, 2021