

**Andrews High School**  
A Division of NorthStar Academies, Inc.  
(A Component Unit of the School  
District of Broward County, Florida)

Basic Financial Statements  
and Additional Information  
For the Year Ended June 30, 2025

# Andrews High School

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Andrews High School  
Pompano Beach, Florida

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Andrews High School (the "School"), a division of NorthStar Academies, Inc. and a component unit of the School District of Broward County, Florida, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter

As discussed in Note 1, the financial statements of the School are intended to present the financial position and changes in financial position of only that portion of the governmental activities and each major fund of NorthStar Academies, Inc. that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of NorthStar Academies, Inc. as of June 30, 2025 or its changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## Responsibilities of Management for the Financial Statements

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

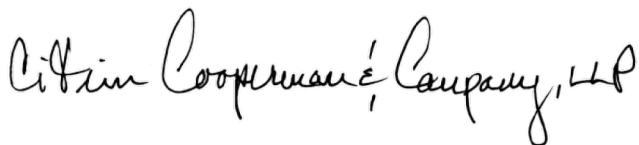
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and the budgetary comparison information for the General Fund and Special Revenue Fund on pages 23 through 25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2025, 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.



Fort Lauderdale, Florida  
September 24, 2025

# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Andrews High School (the "School"), a component unit of the School District of Broward County, Florida (the "School Board"), we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2025, with certain comparative information for 2024.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the past and current position of the School's financial condition. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements.

### **Financial Highlights**

The following are the highlights of financial activity for the year ended June 30, 2025:

- The School's total assets exceeded its liabilities at June 30, 2025 by \$ 2,547,135 (net position).
- The School's total revenues were \$ 4,251,574, consisting of \$ 3,149,644 from FTE revenues, \$ 425,881 from operating and capital grants, \$ 554,441 from referendum revenues, and \$ 121,608 from miscellaneous revenues. The School's expenses for the year were \$ 4,124,706. Net position for the year increased by \$ 126,868.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The 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 a private-sector business.

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

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

The government-wide financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instruction and instructional support services.

The government-wide financial statements can be found on pages 9 and 10 of this report.

**Overview of the Financial Statements (continued)**

**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 other 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 basic government-wide financial statements, governmental fund basic financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the 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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The School maintains several individual governmental funds. The General Fund, Special Revenue Fund, and Capital Projects Fund are considered to be the School's major funds.

The School adopts an annual budget for its governmental funds, except for the Capital Projects Fund. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budget.

The governmental funds financial statements can be found on pages 11 through 14 of this report.

**Notes to basic financial statements:** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 15 through 22 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School's General Fund and Special Revenue Fund adopted budget to actual results. Required supplementary information can be found on pages 23 through 25 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of the School, assets exceeded liabilities by \$ 2,547,135 at the close of the most recent fiscal year.

Andrews High School Net Position			
	2025	2024	Variance
<b>Current and Other Assets</b>	\$ 2,420,284	\$ 2,617,179	\$ (196,895)
<b>Capital Assets, net</b>	591,134	961,353	(370,219)
Total assets	3,011,418	3,578,532	(567,114)

**Andrews High School  
Management's Discussion and Analysis  
June 30, 2025**

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**Government-Wide Financial Analysis (continued)**

Andrews High School Net Position (continued)			
	<u>2025</u>	<u>2024</u>	<u>Variance</u>
<b>Current Liabilities</b>	\$ 464,283	\$ 775,999	\$ (311,716)
<b>Noncurrent Liabilities</b>	<u>-</u>	<u>382,266</u>	<u>(382,266)</u>
Total liabilities	<u>464,283</u>	<u>1,158,265</u>	<u>(693,982)</u>
<b>Net Position:</b>			
Net investment in capital assets	208,868	217,232	(8,364)
Unrestricted	<u>2,338,267</u>	<u>2,203,035</u>	<u>135,232</u>
Total net position	\$ <u><u>2,547,135</u></u>	\$ <u><u>2,420,267</u></u>	\$ <u><u>126,868</u></u>

Current and other assets fell due to a decrease in the School's receivables at year end. Capital assets, net of depreciation, decreased due to the current year's depreciation and amortization of \$ 428,767, offset by an increase of \$ 58,548 of leasehold improvements. Current liabilities decreased due to decreases in accounts payable and balances due to management company. Noncurrent liabilities decreased due to the payments on the lease payable.

**Governmental activities:** The School's overall net position increased \$126,868 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

Andrews High School Changes in Net Position			
	<u>2025</u>	<u>2024</u>	<u>Variance</u>
<b>Revenues:</b>			
General revenues:			
FTE nonspecific revenues	\$ 3,149,644	\$ 2,976,042	\$ 173,602
Referendum revenues	554,441	1,253,144	(698,703)
Miscellaneous revenues	121,608	23,678	97,930
Program revenues:			
Operating grants and contributions	80,960	148,515	(67,555)
Capital grants and contributions	<u>344,921</u>	<u>339,029</u>	<u>5,892</u>
Total revenues	<u><u>4,251,574</u></u>	<u><u>4,740,408</u></u>	<u><u>(488,834)</u></u>

**Government-Wide Financial Analysis (continued)**

Andrews High School Changes in Net Position (continued)			
	2025	2024	Variance
<b>Expenses:</b>			
Instruction	\$ 814,111	\$ 822,920	\$ (8,809)
Administrative services	564,596	360,906	203,690
Instructional support services	363,354	367,570	(4,216)
Plant operations and maintenance	1,338,459	1,293,326	45,133
Student transportation	26,000	35,297	(9,297)
Fiscal services	910,156	789,356	120,800
Food services	76,135	75,820	315
Interest expense	31,895	51,217	(19,322)
Total expenses	4,124,706	3,796,412	328,294
Change in net position	126,868	943,996	(817,128)
Net position - beginning	2,420,267	1,476,271	943,996
Net position - ending	\$ 2,547,135	\$ 2,420,267	\$ 126,868

General revenues, compared to the previous year, decreased due to a reduction of referendum funding; additionally, program revenues decreased as well due to overall decrease in grant funding. Total expenses increased due to administrative costs and additional management fees.

**Financial Analysis of Governmental Funds**

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 \$ 2,017,525, while the total fund balance increased to \$ 2,029,409. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 58.6% of total General Fund expenditures, while total fund balance represents 58.9% of that same amount.

The fund balance of the School's General Fund increased by \$ 374,566, which was primarily attributable to the increase in the student enrollment during the current fiscal year.

The Special Revenue Fund has an increase in fund balance during the current fiscal year due to the receipt of grant funds that became available in the current period.

The Capital Projects Fund does not have an increase or decrease in fund balance during the fiscal year as this fund reports state expense reimbursement grants specifically for the operating facility.

### **Capital Asset and Debt Administration**

**Capital assets:** At June 30, 2025, the School had capital assets of \$ 591,134 net of accumulated depreciation and amortization, invested in a right-of-use building, furniture and computer equipment, and leasehold improvements. Capital asset additions for the year included \$ 58,548 for a new fence and security system. Additional information on the School's capital assets can be found in Note 6 to the financial statements.

**Long-term debt:** At June 30, 2025, the School had outstanding debt of \$ 382,266, as compared to \$ 744,121 at June 30, 2024. Additional information on the School's debt can be found in Note 7 to the financial statements.

### **General Fund Budgetary Highlights**

State revenues were favorable to the budget by approximately \$ 169,000 due to higher enrollment. Local revenues were favorable to the budget by approximately \$ 519,000 due to timing of referendum payments. Total expenditures were unfavorable to the budget by approximately \$ 68,000 primarily due to increased staffing and student costs resulting from the increased enrollment. See page 23 for budget to actual comparisons detail.

### **Economic Factors and Next Year's Budget**

In fiscal year 2025, the State of Florida continued to include a teacher salary increase allocation ("TSIA") of \$1.25 billion. The capital outlay funding pool ended up at \$231 million. The School's FY24-25 allocations of these funds were \$141,806 and \$233,336, respectively.

For fiscal year 2026, the funding for teacher salaries and other instructional personnel will be \$1.254 billion. Additionally, the State of Florida approved an increase to the base funding allocation by approximately 0.8%. The School expects the student count to remain consistent; therefore, the overall effect will be a moderate increase in these revenues categories. Overall, we expect the revenues available to the School for operations to be consistent with fiscal year 2024- 2025.

### **Requests for Information**

This financial report is designed to provide a general overview of Andrews High School's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Graduation Alliance; One Broward Boulevard, Suite 1599, Fort Lauderdale, FL 33301.

# BASIC FINANCIAL STATEMENTS

**Andrews High School**  
**Statement of Net Position**  
**June 30, 2025**

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**Current Assets:**

Cash	\$	1,552,025
Due from government agencies		799,076
Due from related party		<u>57,299</u>
Total current assets		<u>2,408,400</u>

**Noncurrent Assets:**

Deposits		11,884
Capital assets, net of accumulated depreciation and amortization		<u>591,134</u>
Total noncurrent assets		<u>603,018</u>
Total assets		<u>3,011,418</u>

**Current Liabilities:**

Accounts payable		43,491
Accrued liabilities		36,434
Due to management company		2,092
Lease payable		<u>382,266</u>
Total liabilities		<u>464,283</u>

**Net Position:**

Net investment in capital assets		208,868
Unrestricted		<u>2,338,267</u>
Total net position	\$	<u><u>2,547,135</u></u>

See accompanying notes to financial statements.

**Andrews High School  
Statement of Activities  
For the Year Ended June 30, 2025**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Activities Net Revenue (Expenses) and Change in Net Position</u>
<b>Functions/Programs:</b>					
Governmental activities:					
Regular instruction	\$ 814,111	\$ -	\$ -	\$ -	\$ (814,111)
Administrative services	564,596	-	-	-	(564,596)
Instructional support services	363,354	-	-	-	(363,354)
Plant operations and maintenance	1,338,459	-	-	344,921	(993,538)
Student transportation	26,000	-	-	-	(26,000)
Operation of non- instructional services:					
Fiscal services	910,156	-	-	-	(910,156)
Food services	76,135	-	80,960	-	4,825
Interest expense	31,895	-	-	-	(31,895)
Total governmental activities	<u>\$ 4,124,706</u>	<u>\$ -</u>	<u>\$ 80,960</u>	<u>\$ 344,921</u>	<u>(3,698,825)</u>
General revenues:					
FTE nonspecific revenues					3,149,644
Referendum revenues					554,441
Miscellaneous revenues					<u>121,608</u>
Total general revenues					<u>3,825,693</u>
Change in net position					126,868
Net position, July 1, 2024					<u>2,420,267</u>
Net position, June 30, 2025					<u>\$ 2,547,135</u>

See accompanying notes to financial statements.

**Andrews High School  
Balance Sheet - Governmental Funds  
June 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Assets:</b>				
Cash	\$ 1,552,025	\$ -	\$ -	\$ 1,552,025
Due from government agencies	763,044	17,222	18,810	799,076
Due from related party	57,299	-	-	57,299
Due from other funds	36,032	-	-	36,032
Deposits	11,884	-	-	11,884
	<u>2,420,284</u>	<u>17,222</u>	<u>18,810</u>	<u>2,456,316</u>
Total assets	\$ <u>2,420,284</u>	\$ <u>17,222</u>	\$ <u>18,810</u>	\$ <u>2,456,316</u>
<b>Liabilities:</b>				
Accounts payable	\$ 43,491	\$ -	\$ -	\$ 43,491
Accrued liabilities	36,434	-	-	36,434
Due to management company	2,092	-	-	2,092
Due to other funds	-	17,222	18,810	36,032
	<u>82,017</u>	<u>17,222</u>	<u>18,810</u>	<u>118,049</u>
Total liabilities	<u>82,017</u>	<u>17,222</u>	<u>18,810</u>	<u>118,049</u>
<b>Deferred inflow of resources:</b>				
Unavailable revenues	<u>308,858</u>	<u>-</u>	<u>-</u>	<u>308,858</u>
<b>Fund Balances:</b>				
Nonspendable:				
Deposits	11,884	-	-	11,884
Unassigned	2,017,525	-	-	2,017,525
	<u>2,029,409</u>	<u>-</u>	<u>-</u>	<u>2,029,409</u>
Total fund balances	<u>2,029,409</u>	<u>-</u>	<u>-</u>	<u>2,029,409</u>
Total liabilities, deferred inflow of resources, and fund balances	\$ <u>2,420,284</u>	\$ <u>17,222</u>	\$ <u>18,810</u>	\$ <u>2,456,316</u>

See accompanying notes to financial statements.

**Andrews High School  
 Reconciliation of the Balance Sheet - Governmental Funds  
 to the Statement of Net Position  
 June 30, 2025**

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**Reconciliation of the Balance Sheet of  
 Governmental Funds to the Statement of Net Position**

Governmental fund balances \$ 2,029,409

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

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

Cost of capital assets	\$	3,374,496	
Accumulated depreciation and amortization		<u>(2,783,362)</u>	591,134

Unavailable revenue in the governmental fund is susceptible to full accrual in the government-wide statements.			308,858
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Liabilities not payable with current available resources are not reported as fund balances in the governmental fund statements. All liabilities, both current and long-term, are reported in the governmental-wide statements.

Lease payable			<u>(382,266)</u>
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<b>Net Position of Governmental Activities</b>			<b>\$ <u><u>2,547,135</u></u></b>
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See accompanying notes to financial statements.

**Andrews High School  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Revenues:</b>				
State sources	\$ 3,149,644	\$ -	\$ 233,336	\$ 3,382,980
Federal sources	-	313,478	-	313,478
Local sources	915,384	-	111,585	1,026,969
	<u>4,065,028</u>	<u>313,478</u>	<u>344,921</u>	<u>4,723,427</u>
Total revenues				
<b>Expenditures:</b>				
Current:				
Instruction	814,111	-	-	814,111
Instructional support services	361,735	-	-	361,735
Student transportation services	26,000	-	-	26,000
Fiscal services	910,156	-	-	910,156
Food services	-	76,135	-	76,135
Plant operations and maintenance	659,137	-	-	659,137
Administrative services	564,596	-	-	564,596
Capital outlay	58,548	-	-	58,548
Debt service:				
Principal payments	16,934	-	344,921	361,855
Interest expense	31,895	-	-	31,895
	<u>3,443,112</u>	<u>76,135</u>	<u>344,921</u>	<u>3,864,168</u>
Total expenditures				
Excess of revenues over expenditures	<u>621,916</u>	<u>237,343</u>	<u>-</u>	<u>859,259</u>
<b>Other Financing Sources (Uses):</b>				
Transfer in	-	247,350	-	247,350
Transfer out	(247,350)	-	-	(247,350)
	<u>(247,350)</u>	<u>247,350</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances	374,566	484,693	-	859,259
<b>Fund Balances (Deficit), July 1, 2024</b>	<u>1,654,843</u>	<u>(484,693)</u>	<u>-</u>	<u>1,170,150</u>
<b>Fund Balances, June 30, 2025</b>	<u>\$ 2,029,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,029,409</u>

See accompanying notes to financial statements.

**Andrews High School  
 Reconciliation of the Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2025**

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**Net Change in Fund Balances of Governmental Funds** \$ 859,259

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

Governmental funds report capital outlays as expenditures; in the statement of activities these costs are allocated over their estimated useful lives as depreciation and amortization.

Capital outlay	\$	58,548	
Depreciation and amortization		<u>(428,767)</u>	(370,219)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (252,174)

Revenue recognized in the fund statements previously recognized in the government-wide statements due to not being available in the current period. (471,853)

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

Lease payable			<u>361,855</u>
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**Change in Net Position on the Statement of Activities** \$ 126,868

See accompanying notes to financial statements.

### **Note 1 - Organization and Operations**

Andrews High School (the "School") is a division of NorthStar Academies, Inc. (the "Entity") and a component unit of the School District of Broward County, Florida (the "District"). The School commenced operations in July 2011 and offers classes for high school students predominantly in the city of Pompano Beach, Florida. An average of 377 students were enrolled in classes for the school year ended in June 2025.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of NorthStar Academies, Inc. as of June 30, 2025, and the changes in its financial position, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America ("GAAP").

### **Note 2 - Summary of Significant Accounting Policies**

**Reporting entity:** The School operates under a charter granted by the sponsoring school district, the School Board of Broward County, Florida (the "School Board"). The charter is effective until June 30, 2026. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter in which case the School Board is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown.

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. 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 reporting entity's 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 financial statements.

**Basis of presentation:** The financial statements have been prepared in conformity with GAAP as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated 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.
- **Special Revenue Fund** – This fund is used to account for federal grants and certain other revenues that are legally restricted to expenditures for particular purposes.
- **Capital Projects Fund** – This fund is used to account for state capital outlay funding that is legally restricted to expenditures for particular purposes.

During the course of operations, the School has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the governmental fund financial statements, they are eliminated in the preparation of the government-wide 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 and amortization reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets (if any).
- 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 - the portion of net position that does not meet the definition of the other two categories.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then, unrestricted resources as they are needed.

## Note 2 - Summary of Significant Accounting Policies (continued)

**Fund balance:** The governmental fund financial statements present fund balances based on the provisions of GAAP which provide clearly defined fund balance classifications to report on the nature and extent to which the School is bound to have constraints on the specific purposes for which amounts in those funds can be spent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - consists of amounts that are not in spendable form and amounts that are legally or contractually required to be maintained intact.
- Restricted fund balance - consists of amounts 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.
- Committed fund balance - consists of amounts that can be used for specific purposes voted on through formal action by the Board of Directors (the highest level of decision-making authority). The committed amount cannot be used for any other purpose unless the Board removes or changes the commitment through formal action.
- Assigned fund balance - consists of amounts that the Board of Directors intends to use for a specific purpose, but they are neither restricted nor committed.
- Unassigned - represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the School's governing body or its delegated official or body has provided otherwise in its commitment or assignment actions. The details of the fund balances are included in the Balance Sheet of Governmental 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are prepared using the 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 one hundred and twenty days of the end of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source.

**Note 2 - Summary of Significant Accounting Policies (continued)**

All other revenue items are considered to be measurable and available only when cash is received by the School. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Student funding is provided by the State of Florida through the School Board. Such funding is recorded as full-time equivalent (“FTE”) revenue in the government-wide financial statements and state source revenue in the fund financial statements. This funding is received on a prorated basis over a twelve-month period and is adjusted for changes in FTE student population.

**Cash and cash equivalents:** The School considers all demand accounts and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents. The School maintains its cash accounts with two financial institutions. The School’s accounts at these institutions, at times, may exceed the federally insured limit; however, the School’s deposits are collateralized in accordance with Chapter 280 of the Florida Statutes (see Note 3).

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

**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.

**Capital assets:** Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with a cost of \$ 1,000 or more, and a useful life of over one year. Donated capital assets are valued at acquisition value as of the date received. Additions, improvements, and other expenditures that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. Other costs for repairs and maintenance are expensed as incurred.

Depreciation and amortization on all assets are provided on the straight-line basis over the shorter of the capital assets estimated useful lives or lease term as follows:

Furniture and equipment	3-5 years
Leasehold improvements	5 years

**Right-of-use asset:** The School has recorded a right-of-use lease asset in accordance with GASB. The right-of-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-of-use asset is amortized on a straight-line basis over the shorter of the useful life or the lease term.

**Compensated absences:** The School's policy allows certain employees to carry over unused vacation time during the year. Unused sick leave benefits are not paid upon separation from service. In accordance with GASB Statement No. 101, effective for fiscal year 2025, management has evaluated all employee leave policies using the “more likely than not” recognition criteria and determined that no material liability for compensated absences should be recognized as of June 30, 2025.

## Note 2 - Summary of Significant Accounting Policies (continued)

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

**Deferred outflows/inflows of resources:** In addition to assets, the statement of net 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 assets that applies to a future period 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 net 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School has recorded deferred inflows representing unavailable revenues in the amount of \$ 239,334.

**Use of estimates:** The preparation of financial statements in conformity with GAAP 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 all governmental funds, 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. A comparison of actual results of operations to the budgeted amounts for the General Fund and Special Revenue Fund are presented as required supplementary information.

**Adoption of new accounting standards:** During the year ended June 30, 2025, the School implemented GASB Statement No. 101, *Compensated Absences*, which revisits the definition and recognition parameters of accrued employee time off. The School also implemented GASB Statement No. 102, *Certain Risk Disclosures*, which addresses obligations for governmental entities to disclose a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. There were no changes required to the financials of the School as a result of the adoption of these standards.

**Subsequent events:** Subsequent events were evaluated by management through September 24, 2025, which is the date on which the financial statements were available to be issued.

## Note 3 - Cash and Cash Equivalents

At June 30, 2025, the carrying amount of the deposits and cash on hand totaled \$ 1,552,025, with a bank balance of \$ 1,574,671.

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 the reporting requirements of the qualified public depositor to the Treasurer is defined by statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should need arise. The School's deposits of \$ 1,323,671 which are in excess of the federal insured level of \$ 250,000 are held in a qualified public depository and are covered by the collateral pool because the School has identified itself as a public entity.

**Andrews High School**  
**Notes to Basic Financial Statements**  
**June 30, 2025**

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**Note 4 - Due from Government Agencies**

Due from government agencies at June 30, 2025 consists of amounts due from the District for the following: \$ 18,810 of capital outlay funding, \$ 45,626 of FTE funding, \$ 93,262 of grant fundings, and \$ 617,716 of referendum funding. The National School Lunch Program also had a balance due of \$ 23,662.

**Note 5 - Due from Related Party**

Due from related party represents amounts that are due from another school that shares common board membership and is a department of NorthStar Academies, Inc. and amounts are expected to be repaid within one year.

**Note 6 - Capital Assets**

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

	Balance at July 1, 2024	Additions	Transfers	Balance at June 30, 2025
Capital assets, not being depreciated/amortized:				
Construction in progress	\$ 132,029	\$ -	\$ (132,029)	\$ -
Total capital assets not being depreciated/amortized	<u>132,029</u>	<u>-</u>	<u>(132,029)</u>	<u>-</u>
Capital assets being depreciated/amortized				
Leasehold improvements	808,232	58,548	132,029	998,809
Furniture and equipment	376,400	-	-	376,400
Lease asset: building	<u>1,999,287</u>	<u>-</u>	<u>-</u>	<u>1,999,287</u>
Total capital assets being depreciated/amortized	<u>3,183,919</u>	<u>58,548</u>	<u>132,029</u>	<u>3,374,496</u>
Accumulated depreciation/amortization:				
Leasehold improvements	649,743	93,934	-	743,677
Furniture and equipment	371,993	1,619	-	373,612
Lease asset: building	<u>1,332,859</u>	<u>333,214</u>	<u>-</u>	<u>1,666,073</u>
Total accumulated depreciation/amortization	<u>2,354,595</u>	<u>428,767</u>	<u>-</u>	<u>2,783,362</u>
Net capital assets	\$ <u>961,353</u>	\$ <u>(370,219)</u>	\$ <u>-</u>	\$ <u>591,134</u>

The provision for depreciation and amortization for the year ended June 30, 2025 amounted to \$ 428,767. The School allocated \$ 95,553, 22%, of the depreciation and amortization to instructional support services and \$ 333,214, 78%, to the operation of the facility.

As part of the School's charter contract, all capital assets purchased with public funds will automatically revert to the District upon the non-renewal or termination of the contract.

**Note 7 - Lease**

The School entered into a facility lease effective through June 30, 2026. The lease agreement qualifies as other than short-term leases under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the implementation date of July 1, 2020. The discount rate used to recognize the intangible right-of-use asset and lease liability was 5.50%.

The following is a schedule of the School’s future base rent payments as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ <u>382,266</u>	\$ <u>11,484</u>	\$ <u>393,750</u>

The lease activity of the year ended June 30, 2025 is as follows:

	<u>Balance at July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2025</u>	<u>Amount Due Within One Year</u>
Lease - building	\$ <u>744,121</u>	\$ <u>-</u>	\$ <u>361,855</u>	\$ <u>382,266</u>	\$ <u>382,266</u>

**Note 8 - Contingencies and Commitments**

**Management agreement:** The School operates under a management agreement with EdisonLearning, Inc. (“Edison”), which is a third-party education service provider. The contract provided for assisting the School in the performance of most administrative, operating, and financial duties. The management agreement’s term was for five academic school years beginning with the 2011-2012 school year and was renewed through the 2025 - 2026 school year to be concurrent with the renewal of the charter. The agreement provided for an additional five-year term or such periods that are consistent with the charter contract term. In exchange for the aforementioned services, the Board of Directors of NorthStar Academies, Inc. agreed on a fee annually contained in their budget. For the year ended June 30, 2025, the amount of compensation paid to Edison amounted to approximately \$ 812,000. At June 30, 2025, the School had an amount due to Edison amounting to \$ 2,092, which represents School expenses paid for by Edison.

**Post-retirement benefits:** The School offers the opportunity to participate in its defined contribution 403(b) plan to eligible employees. The School did not make a contribution to the plan for the year ended June 30, 2025.

**Note 9 - Capital Appropriations Funding**

The Florida Department of Education has approved a Charter School Capital Outlay (CSCO) award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes those funds are allocated among eligible charter schools. The funds for the School’s allocation are transferred to the School once a CSCO Plan has been provided to and approved by the sponsoring board. The School’s CSCO Award totaled \$ 233,336 for the 2024/2025 school year which has been recognized as revenue in the accompanying financial statements. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The School has elected to use these funds to pay a portion of the interest expense on the lease.

**Note 9 - Capital Appropriations Funding (continued)**

Local Capital Improvement Revenue (LCIR) funds are also appropriated by the School Board for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the CSCO Award. The School's LCIR Award totaled \$ 111,585 for the 2024/2025 school year which has been recognized as revenue in the accompanying financial statements.

**Note 10 - Income Taxes**

The School is a division of a nonprofit corporation that qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

**Note 11 - Risk Management**

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets and natural disasters. The School has obtained property insurance from commercial companies including, but not limited to, general liability and errors and omissions insurance. There have been no claims in excess of insurance coverage limits during the current year.

**Note 12 - Referendum Settlement**

In 2018, the voters of Broward County approved a Referendum allowing the School Board to levy an ad valorem tax for fiscal years July 1, 2019 through June 30, 2023 to enhance funding for school resource officers, hire school security staff, increase compensation to recruit and retain highly qualified district teachers. The School Board previously levied and distributed all revenue generated pursuant to the 2018 Referendum to non-public schools for 2019-2023 school years.

NorthStar Academies, Inc. filed an action against the School Board asserting that the School Board breached its contractual obligation to pay NorthStar Academies, Inc. their proportionate share of the 2018 Referendum Levy. In March 2024, the Florida Commissioner of Education directed a Memorandum to the Florida State Board of Education, finding probable cause that the School Board was not in compliance with Florida law as a result of not sharing revenues generated by the 2018 Referendum. A settlement was reached between the School Board and NorthStar Academies, Inc., with a payment plan beginning in July 2024. For the year ended June 30, 2025, the School recognized \$ 554,441 in the government-wide financial statements as general revenues, \$ 793,776 in the governmental fund's financial statements as local source revenue and \$ 308,858 as a deferred inflow of resources because it does not meet the availability criteria as described in Note 2. Deferred amounts will be recognized in the governmental funds as revenue over the next two years.

**Note 13 – Subsequent Event**

In July 2025, Edison (see Note 8) entered into an agreement to sell its charter school management business and assets to Achieve Learning LLC. Under this arrangement, Edison will assign its rights, obligations, and interests under the management agreement with the School to the buyer upon closing of the transaction. The School's Board of Directors has provided consent to this assignment.

The transaction closed on July 16, 2025, and all current terms and conditions of the management agreement will remain unchanged, and the School is receiving management services under the existing arrangement with the new provider.

REQUIRED SUPPLEMENTARY  
INFORMATION

**Andrews High School  
 Budgetary Comparison Schedule - General Fund  
 For the Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
State sources	\$ 2,980,607	\$ 2,980,607	\$ 3,149,644	\$ 169,037
Local sources	<u>396,602</u>	<u>396,602</u>	<u>915,384</u>	<u>518,782</u>
Total revenues	<u>3,377,209</u>	<u>3,377,209</u>	<u>4,065,028</u>	<u>687,819</u>
<b>Expenditures:</b>				
Current:				
Instruction	1,078,024	1,078,024	814,111	263,913
Instructional support services	317,466	317,466	361,735	(44,269)
Student transportation services	30,000	30,000	26,000	4,000
Fiscal services	768,544	768,544	910,156	(141,612)
Plant operations and maintenance	793,192	793,192	659,137	134,055
Administrative services	388,055	388,055	564,596	(176,541)
Capital outlay	-	-	58,548	(58,548)
Debt service:				
Principal payments	-	-	16,934	(16,934)
Interest expense	<u>-</u>	<u>-</u>	<u>31,895</u>	<u>(31,895)</u>
Total expenditures	<u>3,375,281</u>	<u>3,375,281</u>	<u>3,443,112</u>	<u>(67,831)</u>
Excess of revenues over expenditures	1,928	1,928	621,916	619,988
<b>Other Financing Uses:</b>				
Transfer out	<u>-</u>	<u>-</u>	<u>(247,350)</u>	<u>(247,350)</u>
Net change in fund balance	<u>\$ 1,928</u>	<u>\$ 1,928</u>	374,566	<u>\$ 372,638</u>
<b>Fund balance, beginning</b>			<u>1,654,843</u>	
<b>Fund balance, ending</b>			<u>\$ 2,029,409</u>	

**Andrews High School  
 Budgetary Comparison Schedule - Special Revenue Fund  
 For the Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Federal sources:				
Elementary and Secondary Emergency Assistance Grants (ESSER)	\$ -	\$ -	\$ 232,518	\$ 232,518
National School Lunch Program	<u>72,606</u>	<u>72,606</u>	<u>80,960</u>	<u>8,354</u>
Total revenues	<u>72,606</u>	<u>72,606</u>	<u>313,478</u>	<u>240,872</u>
<b>Expenditures:</b>				
Food services	<u>72,606</u>	<u>72,606</u>	<u>76,135</u>	<u>(3,529)</u>
Total expenditures	<u>72,606</u>	<u>72,606</u>	<u>76,135</u>	<u>(3,529)</u>
Excess of revenues over expenditures	-	-	237,343	237,343
<b>Other Financing Sources:</b>				
Transfer in	<u>-</u>	<u>-</u>	<u>247,350</u>	<u>247,350</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	484,693	<u>\$ 484,693</u>
<b>Fund balance, beginning</b>			<u>(484,693)</u>	
<b>Fund balance, ending</b>			<u>\$ -</u>	

**Excess of Expenditures Over Appropriations**

During the fiscal year ended June 30, 2025, expenditures exceeded appropriations in several categories:

**General Fund:** expenditures were unfavorable to the budget by \$ 67,831; however, individual categories exceeded appropriations as follows:

- Instructional support services exceeded budget by \$ 44,269 due to special revenue fund shortage
- Fiscal services expenditures exceeded budget by \$ 141,612 due to adjustments made to management fees
- Administrative services exceeded budget by \$ 176,541 due to additional support staff added in the current year
- Capital outlay exceeded budget by \$ 58,548 for unplanned facilities improvements
- Debt service payments of \$ 48,829 (principal and interest) were not included in the original budget due to lease accounting treatment under GASB Statement No. 87

Expenditure budget overages were covered by underspending in the other categories and by a favorable variance in revenues.

**Special Revenue Fund:** expenditures exceeded appropriations by \$ 3,529 due to higher than anticipated program participation.

Expenditure budget overages were covered by greater than anticipated revenues.

## OTHER 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  
Andrews High School  
Pompano Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Andrews High School (the "School"), a division of NorthStar Academies, Inc. and a component unit of the School District of Broward County, Florida, as of and for the year ended June 30, 2025, 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 24, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



## Report on Compliance and Other Matters

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

## Purpose of this Report

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

Fort Lauderdale, Florida  
September 24, 2025

## MANAGEMENT LETTER REQUIRED BY CHAPTER 10.850 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Directors  
Andrews High School  
Pompano Beach, Florida

### Report on the Financial Statements

We have audited the governmental activities and each major fund of the financial statements of Andrews High School (the "School"), Florida, as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 24, 2025.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 24, 2025, 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 findings or recommendations made in the preceding annual financial audit report.

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Andrews High School and 065009.



### **Financial Condition and Management**

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

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

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 maintained 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 fraud, waste, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note 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 School Board of Broward County, and is not intended to be and should not be used by anyone other than these specified parties.

Fort Lauderdale, Florida  
September 24, 2025