

**FRANKLIN ACADEMY COOPER CITY**

COOPER CITY, FLORIDA  
(A CHARTER SCHOOL UNDER FRANKLIN  
ACADEMY FOUNDATION, INC. AND SUBSIDIARY)  
W/L# 5037  
(A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL BOARD OF BROWARD COUNTY,  
FLORIDA)

BASIC FINANCIAL STATEMENTS, INDEPENDENT  
AUDITOR'S REPORT

JUNE 30, 2023

**FRANKLIN ACADEMY COOPER CITY**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2023**

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**FRANKLIN ACADEMY COOPER CITY CHARTER SCHOOL**  
(A charter school under Franklin Academy Foundation, Inc. and  
Subsidiary) W/L# 5037

6301 S. Flamingo Road  
Cooper City, FL 33330

**2022-2023**

**BOARD OF DIRECTORS**

Dr. David Thomas, Chair  
Ms. Alexandra Kruse  
Mrs. Debbie Orshefsky  
Dr. Jaqueline Greenberg

**SCHOOL ADMINISTRATION**

Ms. Alexandra Fox, Principal

**OTHER CORPORATE OFFICERS**

Mr. Scott E. Sznitken, Executive Director



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Franklin Academy Cooper City Charter School  
Cooper City, Florida

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Academy Cooper City Charter School (the "School"), a charter school under Franklin Academy Foundation, Inc. and Subsidiary, which is a component unit of the District School Board of Broward County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Academy Cooper City Charter School, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

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

Armando Aburto, C.P.A.  
Jorge Albeirus, C.P.A.  
Viviana Bruno, C.P.A.  
Lisset I. Cascudo, C.P.A.  
Michelle del Sol, C.F.E., C.P.A.  
Elizabeth Jarvis, C.P.A.  
Cristy C. Rubio, C.P.A.  
Pedro L. Silva, C.P.A.  
Michael Vildosola, C.P.A.

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 Matters**

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School as of June 30, 2023, and the respective changes in financial position or the year then ended, and is not intended to be a complete presentation of Franklin Academy Foundation, Inc. and Subsidiary. These financial statements do not purport to and do not present fairly the financial position of Franklin Academy Foundation, Inc. and Subsidiary as of June 30, 2023 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with Government Auditing Standards, we have also issued our report dated September 27, 2023 on our consideration of the School’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School’s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 27, 2023

**Management’s Discussion and Analysis**  
Franklin Academy Cooper City  
(A charter school Under Franklin Academy Foundation, Inc. and Subsidiary)  
June 30, 2023

The corporate officers of Franklin Academy Cooper City have prepared this narrative overview and analysis of the school’s financial activities for the fiscal year ended June 30, 2023.

**FINANCIAL HIGHLIGHTS**

1. The school’s net position as of June 30, 2023 was \$4,584,098.
2. At year-end, the School had current assets on hand of \$5,684,358.
3. The net position of the School decreased by \$232,738 during the year.
4. The unassigned fund balance at year end was \$2,207,346.

*Overview Of The Financial Statements*

This discussion and analysis are intended to serve as an introduction to the School’s basic financial statements. The School’s financial statements for the year ended June 30, 2023 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

*Government-Wide Financial Statements*

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

The *Statement of Net Position* presents information on all of the School’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the four is reported as *net positions*. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School’s net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10-11 of this report.

*Fund Financial Statements*

A “fund” is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

### *Notes to Financial Statements*

The notes to the financial statements 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 on pages 16-26 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$4,584,098 at the close of the fiscal year. A summary of the School's net position as of June 30, 2023 and 2022 is as follows:

	2023	2022
<b>ASSETS</b>		
Cash	\$ 2,961,585	\$ 3,313,840
Restricted cash	2,439,365	2,383,608
Prepaid expenses	-	21,564
Due from other agencies	283,408	302,356
Due from Franklin Foundation, Inc.	3,314,752	3,204,743
Capital assets, net	18,479,891	18,665,959
<b>Total Assets</b>	<u>\$ 27,479,001</u>	<u>\$ 27,892,070</u>
<b>LIABILITIES AND NET POSITION</b>		
Salaries and wages payable	\$ 968,777	\$ 672,328
Account payable and accrued liabilities	68,870	51,062
Accrued interest	430,836	438,984
Bond payable	21,426,420	21,912,860
<b>Total Liabilities</b>	<u>22,894,903</u>	<u>23,075,234</u>
<b>Net Position:</b>		
Restricted	2,008,529	1,944,624
Net investment in capital assets	(2,946,529)	(3,246,901)
Unrestricted	5,522,098	6,119,113
<b>Total Net Position</b>	<u>4,584,098</u>	<u>4,816,836</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 27,479,001</u>	<u>\$ 27,892,070</u>

At the end of the year, the School reported a positive balance in total net position.



A summary and analysis of the School’s revenues and expenses for the years ended June 30, 2023 and 2022 is as follows:

<b>REVENUES</b>	<u>2023</u>	<u>2022</u>
Program Revenues		
Capital Grants and Contributions	\$ 722,635	\$ 713,367
State passed through local	54,600	54,600
Federal sources	1,239,726	1,086,645
Lunch Program fees	212,341	5,961
Charges and other revenue	19,470	240,126
General Revenues		
Local Sources (FTE and other non specific revenues)	10,436,658	9,835,440
Other revenues	419,269	78,156
<b>Total Revenues</b>	<u>\$ 13,104,699</u>	<u>\$ 12,014,295</u>
 <b>EXPENSES</b>		
Instruction	\$ 7,137,907	\$ 5,616,450
Student support services	379,500	401,520
General administration	47,316	50,490
School administration	1,157,024	911,184
Fiscal services	956,119	916,494
Food services	686,577	757,665
Central services	21,811	-
Pupil transportation	256,959	193,243
Operation of plant	1,424,459	1,241,409
Maintenance of plant	143,706	226,642
Administrative technology services	87,967	82,878
Interest expense	1,038,092	1,057,583
<b>Total Expenses</b>	<u>\$ 13,337,437</u>	<u>\$ 11,455,558</u>
(Decrease) Increase in Net Position	(232,738)	558,737
 <b>Net Position at Beginning of Year</b>	<u>4,816,836</u>	<u>4,258,099</u>
<b>Net Position at End of Year</b>	<u><u>\$ 4,584,098</u></u>	<u><u>\$ 4,816,836</u></u>

Student enrollment remained consistent during the 2022-2023 school year. As a result of increases in in-person learning and student and community events, the School’s revenues increased by \$1,090,404 and expenses increased by \$1,881,879 due to increases in instructional services including salaries and benefits. The School had a decrease in its net position of \$232,738 for the year.

**REQUESTS FOR INFORMATION**

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Diane Showalter, 5000 SW 207<sup>th</sup> Terrace, Cooper City, FL 33332.

## **SCHOOL LOCATION AND LEASE OF FACILITY**

The School leases a facility located at 6301 South Flamingo Road, Cooper City, FL 33330.

## **CAPITAL IMPROVEMENT REQUIREMENTS**

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

## **SCHOOL ENROLLMENT**

This past year, the School had approximately 1,337 students enrolled in grades kindergarten through eighth.

## **ACCOMPLISHMENTS**

With 22-23 being our 10th year, we made sure to continue ‘Planting Seeds for Learning’!

With the funding from ESSER grants, we saw student growth in many of the grade levels, as we had a grade level assistant for each of the elementary grades for small group and one-on-one intervention sessions.

Thanks to additional grants, we were also able to host our first summer school four-week session with almost 300 students and 20 staff members.

A variety of parent and community events were hosted on our campus including our Scholastic Book Fair fundraiser and family night, the Night of the Arts, Hispanic Heritage Night, Reading Under the Stars - Literacy Night, Black History Showcase & Gallery, and local, quarterly Chess Tournaments where over 30 schools participated in each tournament. We also executed our SECOND Falcon Rush fundraiser that raised over \$100,000.

We continue with full immersion into Managebac by all stakeholders. Our IB Coordinator held a family night to assist in navigating this platform. Students and families are happy to have one location to locate their tasks, assignments/assessments dates, and their lesson experiences per unit.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUND**

As noted earlier, 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, the *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

Most of the School’s operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School’s governmental general fund reported ending fund balance of \$2,207,346. The fund balance unassigned and available for spending at the School’s discretion is \$2,207,346.

**CAPITAL ASSETS**

The School’s investment in capital assets as of June 30, 2023 amounts to \$18,479,891 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, furniture, fixtures and computer equipment. The school has an outstanding debt associated to Capital Assets of \$21,426,420 at June 30, 2023.

**GOVERNMENTAL FUND BUDGET ANALYSIS AND HIGHLIGHTS**

Prior to the start of the School’s fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School’s budget.

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State capital outlay funding	\$ 705,893	\$ 722,635	\$ 722,635
State passed through local	9,813,219	10,491,258	10,491,258
Federal sources	1,353,112	1,239,726	1,239,726
Lunch programs fees	-	212,341	212,341
Charges and other revenues	-	438,739	438,739
<b>Total Revenues</b>	<b>\$ 11,872,224</b>	<b>\$ 13,104,699</b>	<b>\$ 13,104,699</b>
<b>CURRENT EXPENDITURES</b>			
Instruction	\$ 5,677,440	\$ 6,975,043	\$ 6,975,043
Instructional and student support services	227,309	379,500	379,500
General administration	11,000	47,316	47,316
School administration	945,631	936,382	936,382
Fiscal services	497,714	956,119	956,119
Food services	-	686,577	686,577
Central services	18,100	21,811	21,811
Operation of plant	1,005,221	991,361	991,361
Transportation	241,134	256,959	256,959
Maintenance of plant	103,000	143,706	143,706
Administrative technology services	107,125	87,967	87,967
Other capital outlay	436,500	630,536	630,536
Repayment of principal	488,895	488,895	488,895
Interest	1,035,637	1,035,637	1,035,637
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,794,706</b>	<b>\$ 13,637,809</b>	<b>\$ 13,637,809</b>
Excess of revenues over expenditures	1,077,518	(533,110)	(533,110)
<b>OTHER FINANCING SOURCES</b>			
Payments received on notes receivable	-	(110,009)	(110,009)
<b>Net change in fund balance</b>	<b>\$ 1,077,518</b>	<b>\$ (643,119)</b>	<b>\$ (643,119)</b>

Most variances in the budget and actual results occurred as a result of the Budget adopted being more conservative than actual results for the year. In addition, funding for the federal lunch program increased as more students were in-person compared to prior year. Over the course of the year, the School revised its budgets for all funds and the final budgets were equal to actual expenditures.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
CURRENT ASSETS	
Cash	\$ 2,961,585
Restricted cash, held by trustee	2,439,365
Prepaid expenses	-
Due from other agencies	283,408
TOTAL CURRENT ASSETS	<u>5,684,358</u>
Due from Franklin Academy Foundation, Inc.	3,314,752
Capital assets, non-depreciable	3,500,000
Capital assets, depreciable	20,548,856
Less: accumulated depreciation	<u>(5,568,965)</u>
	<u>18,479,891</u>
TOTAL ASSETS	<u><u>\$ 27,479,001</u></u>
<b>LIABILITIES</b>	
CURRENT LIABILITIES:	
Salaries and wages payable	\$ 968,777
Account payable and accrued liabilities	68,870
Accrued interest	430,836
TOTAL CURRENT LIABILITIES	<u>1,468,483</u>
Long-term debt:	
Revenue bond payable within one year	510,254
Revenue bond payable in more than one year	20,916,166
TOTAL LIABILITIES	<u>22,894,903</u>
NET POSITION	
Net investment in capital assets	(2,946,529)
Restricted	2,008,529
Unrestricted	5,522,098
TOTAL NET POSITION	<u>4,584,098</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 27,479,001</u></u>

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

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	7,137,907	\$ -	\$ 725,381	\$ -	\$ (6,412,526)
Instructional and student support services	379,500	19,470	-	-	(360,030)
General administration	47,316	-	-	-	(47,316)
School administration	1,157,024	-	-	-	(1,157,024)
Fiscal services	956,119	-	-	-	(956,119)
Food services	686,577	212,341	474,236	-	-
Central services	21,811	-	-	-	(21,811)
Operation of plant	1,424,459	-	94,709	722,635	(607,115)
Transportation	256,959	-	-	-	(256,959)
Maintenance of plant	143,706	-	-	-	(143,706)
Administrative technology services	87,967	-	-	-	(87,967)
Interest expense	1,038,092	-	-	-	(1,038,092)
<b>Total Governmental Activities</b>	<b>\$13,337,437</b>	<b>\$ 231,811</b>	<b>\$ 1,294,326</b>	<b>\$ 722,635</b>	<b>\$ (11,088,665)</b>
General revenues:					
FTE and other nonspecific revenues					\$ 10,436,658
Interest and other miscellaneous local sources revenues					<u>419,269</u>
Change in Net Position					(232,738)
Net position, beginning					<u>4,816,836</u>
Net position, ending					<u><u>\$ 4,584,098</u></u>

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

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 2,961,585	\$ -	\$ -	\$ 2,961,585
Restricted cash:				
Funds held by trustee	-	-	2,439,365	2,439,365
Due from other agencies	-	283,408	-	283,408
Due from fund	283,408	-	-	283,408
<b>TOTAL ASSETS</b>	<b>\$ 3,244,993</b>	<b>\$ 283,408</b>	<b>\$ 2,439,365</b>	<b>\$ 5,967,766</b>
<b>LIABILITIES</b>				
Salaries and wages payable	\$ 968,777	\$ -	\$ -	\$ 968,777
Account payable	68,870	-	-	68,870
Accrued interest	-	-	430,836	430,836
Due to fund	-	283,408	-	283,408
<b>TOTAL LIABILITIES</b>	<b>1,037,647</b>	<b>283,408</b>	<b>430,836</b>	<b>1,751,891</b>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	-	2,008,529	2,008,529
Unassigned	2,207,346	-	-	2,207,346
<b>TOTAL FUND BALANCE</b>	<b>2,207,346</b>	<b>-</b>	<b>2,008,529</b>	<b>4,215,875</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,244,993</b>	<b>\$ 283,408</b>	<b>\$ 2,439,365</b>	<b>\$ 5,967,766</b>

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

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

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Total Fund Balance - Governmental Funds	\$ 4,215,875
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	18,479,891
Long-term receivables in governmental activities are financial assets but are not reported in the governmental funds.	3,314,752
Long term debt in governmental activities are financial obligations but are not reported in the governmental funds.	(21,426,420)
	<hr/>
Total Net Position - Governmental Activities	<u>\$ 4,584,098</u>

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

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Capital Projects Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
State capital outlay funding	\$ -	\$ 722,635	\$ -	\$ -	\$ 722,635
State passed through local	10,436,658	-	54,600	-	10,491,258
Federal sources	-	-	1,239,726	-	1,239,726
Lunch programs fees	-	-	212,341	-	212,341
Charges and other revenues	-	-	392,633	46,106	438,739
<b>TOTAL REVENUES</b>	<b>\$ 10,436,658</b>	<b>\$ 722,635</b>	<b>\$ 1,899,300</b>	<b>\$ 46,106</b>	<b>\$ 13,104,699</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Instruction	\$ 5,876,499	\$ -	\$ 1,098,544	\$ -	\$ 6,975,043
Instructional and student support services	360,030	-	19,470	-	379,500
General administration	47,316	-	-	-	47,316
School administration	936,382	-	-	-	936,382
Fiscal services	956,119	-	-	-	956,119
Food services	-	-	686,577	-	686,577
Central services	21,811	-	-	-	21,811
Operation of plant	896,652	-	94,709	-	991,361
Transportation	256,959	-	-	-	256,959
Maintenance of plant	143,706	-	-	-	143,706
Administrative technology services	87,967	-	-	-	87,967
<b>Capital Outlay:</b>					
Other capital outlay	630,536	-	-	-	630,536
<b>Debt Service:</b>					
Repayment of principal	-	-	-	488,895	488,895
Interest	-	-	-	1,035,637	1,035,637
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,213,977</b>	<b>\$ -</b>	<b>\$ 1,899,300</b>	<b>\$ 1,524,532</b>	<b>\$ 13,637,809</b>
Excess (deficit) of revenues over expenditures	222,681	722,635	-	(1,478,426)	(533,110)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)	(819,696)	(722,635)	-	1,542,331	-
Advances to Franklin Academy Foundation, Inc.	(110,009)	-	-	-	(110,009)
<b>NET CHANGE IN FUND BALANCE</b>	<b>(707,024)</b>	<b>-</b>	<b>-</b>	<b>63,905</b>	<b>(643,119)</b>
Fund Balance at beginning of year	2,914,370	-	-	1,944,624	4,858,994
Fund Balance at end of year	<u>\$ 2,207,346</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,008,529</u>	<u>\$ 4,215,875</u>

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



**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

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Change in Fund Balance - Governmental Funds \$ (643,119)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays	630,536
Depreciation expense	(816,604)

Decreases in long-term receivables is an other financing source in the governmental funds, but decreases long-term assets in the statement of net position. This is the net amount by which long-term receivables decreased in the current period.

Decrease in long-term receivables	110,009
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Repayments of long term debt are expenditures in the governmental funds, but the repayment reduces long term liabilities in the statement of net position. Amortization of debt premiums or discounts are not reported in the governmental funds, but increase or decrease liabilities in the statement of net position.

Repayments of principal	488,895
Amortization of discount	(2,455)

Change in Net Position of Governmental Activities	\$ (232,738)
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The accompanying notes are an integral part of this financial statement.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Reporting Entity**

Franklin Academy Cooper City (the "School"), is a component unit of the School Board of Broward County, Florida (the "District"). The Schools charter is held by Franklin Academy Foundation, Inc. and Subsidiary, a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of Franklin Academy Foundation, Inc. and Subsidiary, which is composed of five members and also governs other charter schools. The board of directors has determined that no component units exists that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Broward County, Florida. The current charter expires on June 30, 2032 and is renewable for an additional term pursuant to law and/or by a mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under the 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 charters expiration. During the term of the charter, the District may terminate the charter if good cause is shown.

The School's location is in Cooper City, Florida for children from kindergarten through eighth grade and is funded by the District. These financial statements are for the year ended June 30, 2023, when a total of approximately 1,337 students were enrolled for the school year.

**Basis of presentation**

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statement include both the government-wide and fund financial statements.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section of 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 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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.  
Franklin Academy Cooper City.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

**Government-wide and Fund Financial Statements**

*Government Wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay.

In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other miscellaneous sources.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, and liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds with all non-major funds aggregated in a single column:

General Fund - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Special Revenue Fund - accounts for specific revenue, such as Federal or State grants, federal lunch program and COVID emergency relief funds that are legally restricted to expenditure for particular purposes. Also includes the School's internal accounts related to student athletics, class and club activities, and other school organizations.

Debt Service Fund – accounts for the resources accumulated and payments made for principal and interest on long-term debt of the School.

Capital Projects Fund – accounts for state and local capital outlay as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes mainly for capital outlay and maintenance purposes.

**Measurement Focus and Basis of Accounting**

The financial statements of the School are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

**Measurement Focus and Basis of Accounting (Continued)**

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. “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 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Budgets and Budgetary Accounting**

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

**Cash**

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less.

**Inter-fund Transfers**

Inter-fund receivables/payables (“due from/to”) are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

**Due from Other Governments or Agencies**

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

**Long –Term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

**FRANKLIN ACADEMY COOPER CITY  
 (A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

**Capital Assets**

The School’s property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$500 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in government-wide statements. Proceeds received from the sale of or disposal of capital assets are recorded as other financing sources in the fund financial statements. Estimated useful lives, in years, for depreciable assets are as follows:

Building Improvements	5 Years
Furniture, Equipment and Software	5 Years
Textbooks	3 Years
Building	40 Years

**Compensated Absences**

For all full-time, regular, 10-month employees (meaning employees whose position requires them to work only during the academic school year, approximately 10 months of the year), PTO is accrued at the rate of 8 hours per month. Each fiscal year (July 1 through June 30), 10-month employees are eligible to earn up to a maximum of 80 hours of PTO. At the end of a fiscal year, exempt 10-month employees are eligible for PTO buyback for up to five (5) days of accrued but unused PTO. PTO buyback is at the substitute teacher rate in effect at the time of the buyback.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for sick days available to be used in future benefits years.

The School also provides certain days to be used for specific personal matter such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

**Revenue Sources**

Revenues for current operations are received primarily from the State 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, Florida Statutes, the School will report 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 the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

**Revenue Sources (Continued)**

Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement ad valorem tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

**Net position and Fund balance classifications**

*Government-wide financial statements*

Equity is classified as net position and displayed in three (3) components:

- Net investment in capital assets - consists of capital assets net of accumulated depreciation reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for a specific purpose, it is the District's policy to use restricted resources first, until exhausted, before using unrestricted resources.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

*Fund financial statements*

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

- Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories, and prepaid expenses.
- Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted fund balance of the School relates to reserves required by the landlord for property maintenance and repairs. Restricted balances at year end relate to bonds issued.
- Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- Assigned - fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Income Taxes**

Franklin Academy Foundation, Inc. and Subsidiary 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.

**New Accounting Standards Adopted**

In fiscal year 2023, the School adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government users. This Statement is effective immediately for reporting periods beginning after June 15, 2022. These changes were incorporated in the School's 2023 financial statements and had no effect.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

**Subsequent Events**

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 27, 2023, which is the date the financial statements were available to be issued.

NOTE 2 – CAPITAL ASSETS

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the period ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Capital Assets, not being depreciated:				
Land	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000
Capital Assets, depreciated:				
Buildings and improvements	17,487,912	12,926	-	17,500,838
Computer equipment and software	691,228	288,881	-	980,109
Furniture, equipment and textbooks	1,739,180	328,729	-	2,067,909
Total Capital Assets	<u>\$ 23,418,320</u>	<u>\$ 630,536</u>	<u>\$ -</u>	<u>\$ 24,048,856</u>
Less Accumulated Depreciation:				
Buildings and improvements	\$ (2,702,314)	\$ (437,907)	\$ -	\$ (3,140,221)
Computer equipment and software	(515,661)	(193,240)	-	(708,901)
Furniture, equipment and textbooks	(1,534,386)	(185,457)	-	(1,719,843)
Total Accumulated Depreciation	<u>(4,752,361)</u>	<u>(816,604)</u>	<u>-</u>	<u>(5,568,965)</u>
Capital Assets, net	<u>\$ 18,665,959</u>	<u>\$ (186,068)</u>	<u>\$ -</u>	<u>\$ 18,479,891</u>

Depreciation expense for the year ended June 30, 2023 was \$816,604, of which \$433,098 was allocated to operation of plant, \$220,642 was allocated to school administration, and \$162,864 was allocated to instruction.

NOTE 3 – DEPOSITS AND INVESTMENTS

**Deposits**

The School's policy is to maintain its cash and cash equivalents in major banks and in high grade investments. As of June 30, 2023, the carrying amount of the School's deposits was \$2,961,585 and the respective bank balances totaled \$3,313,840.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Franklin Academy Foundation, Inc. and Subsidiary, which also operates various other charter schools. All bank accounts are opened under the account ownership of Franklin Academy Foundation, Inc. and Subsidiary, therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2023, bank balances in potential excess of FDIC coverage totaled \$2,711,585.



**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 4 – DUE FROM OTHER AGENCIES**

The amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds mainly consist of amounts due from the District under the Elementary and Secondary School Emergency Relief fund (“ESSER”), which total \$271,200. In addition, amounts were also due from State of Florida under the National School Lunch Program, which totaled \$12,208. These receivables are considered to be fully collectible and as such, no allowance for uncollectible accounts is recorded.

**NOTE 5 –MANAGEMENT**

The School uses Franklin Academy Foundation Inc., (the holder of the School's charter) to provide complete administrative and management services to all Franklin Academy schools. These services include but are not limited to: administration of support services (facility maintenance, food service, transportation, etc); governmental compliance reporting; coordination of legal support for school operations; district management/liaison; parent customer service; grant application/management; charter application development/submission/approval; site selection/development; construction project management; school marketing/enrollment management; financing management; and public relations.

Based on the School’s Administrative Services agreement with Franklin Academy Foundation, Inc., the School was charged \$665 per student during the year ended June 30, 2023 and will be charged \$740 per student in 2023-2024. During the year, the School made payments totaling \$888,885.

In addition, Building Hope Services, LLC., a professional charter school management company, provides accounting and human resources management services to the School including, but not limited to, regulatory compliance, maintenance of the books and records, bookkeeping, budgeting and financial reporting. The agreement between the School and the management company calls for a fee of \$50 per full time equivalent (FTE) student per year up to 1,500 students with a reduction of \$10 per student for every additional 500 students. The agreement can be terminated at any time by the board with 30 day notice. During the year ended June 30, 2023, the School incurred approximately \$67,234 in management fees. Building Hope Services, LLC. is located at 1225 SE 2<sup>nd</sup> Avenue, Fort Lauderdale, Florida, 33316.

**NOTE 6 –RELATED PARTY TRANSACTIONS**

The School transacts with its charter holder, Franklin Academy Foundation, Inc. and has recorded such transactions as long-term receivables from Franklin Academy Foundation, Inc. At June 30, 2023, the School had a long-term receivable of \$3,314,752.

Changes in long-term receivables during the year were as follows:

	Balance July 1, 2022	Additions	Collections	Balance June 30, 2023
Franklin Academy Foundation, Inc.	\$ 3,204,743	\$ 110,009	\$ -	\$ 3,314,752
Total Long Term Receivables	<u>\$ 3,204,743</u>	<u>\$ 110,009</u>	<u>\$ -</u>	<u>\$ 3,314,752</u>

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of up to 5% of the qualifying revenues of the School and up to and including 250 students. For the year ended June 30, 2023, administrative fees totaled \$36,674.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 7 – LONG TERM DEBT**

**Revenue Bond**

Educational Facilities Revenue Bonds, Series 2016A and 2016B - The Florida Development Finance Corporation (the “issuer”) issued Educational Revenue Bonds, Series 2016A, in aggregate principal amount \$50,625,000 (the “Series 2016A Bonds”) and Florida Charter Foundation, Inc. issued Taxable Educational Facilities Revenue Bond Series 2016B, in the aggregate principal amount of \$195,000 (the ‘Series 2016B Bonds”). The bonds were used to (i) financial or refinance the acquisition, construction, rehabilitation, improvement and equipping of the Facilities for the School in Cooper City, Florida (Cooper City Project) and for Franklin B2 in Boynton Beach, Florida (Boynton Beach Project) (ii) the funding of capitalized interest on the Bond; (iii) the funding of a debt service reserve fund for the Bond; and (iv) certain cost of issuance of the Series 2016 Bonds. The Series 2016 A Bonds are subject to redemption prior to their stated maturity in part, randomly, from Mandatory Sinking Account Payments.

Interest is payable annually beginning July 2017. The bonds are secured by mortgage interest on the project to the benefit of US National Association (the “Trustee”) and assignment of payments (the “Pledge Revenue”) to the Trustee pursuant to the Indenture of Trust dated August 1, 2016. These Bonds are subject to interest rates ranging from 4.00% to 6.00%.

The bonds contain restrictive covenants related to debt service coverage ratio, days cash on hands requirements, student enrollment and reporting requirements.

The School’s debt agreements contain various covenants, restrictions and financial test requirements. In the event of default, the maturity can be accelerated and/or the underlying collateral may be subject to foreclosure.

Approximately 47% of the bond activity is allocable to the School for the Cooper City project.

Revenue bond debt service requirements, for the full bond to be shared by both schools, to maturity are as follows:

<b>Series 2016 A Bonds:</b>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,075,000	\$ 2,156,938
2025	1,115,000	2,113,138
2026	1,160,000	2,067,638
2027	1,205,000	2,020,338
2028	1,255,000	1,966,431
2029-2033	7,230,000	8,856,625
2034-2038	9,550,000	6,921,000
2039-2043	12,765,000	4,385,625
2044-2047	3,095,000	1,188,000
	<u>\$ 38,450,000</u>	<u>\$ 31,675,731</u>

The Bonds were issued at a discount which was deferred and is being amortized over the life of the bonds using the effective interest method. The Bonds payable are presented net of the applicable discount. Amortization of Bond discount during the year amounted to \$2,455.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 7 – LONG TERM DEBT (Continued)**

Long term debt activity for the School, for the year ended June 30, 2023 was as follows:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Advances/ (Payments)</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Educational Facilities Revenue					
Bonds, Series 2016A	\$ 21,971,780	\$ -	\$ (488,895)	\$ 21,482,885	\$ 510,254
Bond Discount	(58,920)	-	2,455	(56,465)	-
Total	<u>\$ 21,912,860</u>	<u>\$ -</u>	<u>\$ (486,440)</u>	<u>\$ 21,426,420</u>	<u>\$ 510,254</u>

**NOTE 8 – INTER-FUND TRANSFERS**

Inter-fund transfers in government funds as of June 30, 2023 consists of the followings:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>
Transfer capital outlay to debt service fund	\$ -	\$ (722,635)	\$ 722,635
Transfer from general fund to cover debt service requirements	(819,696)	-	819,696
Total Transfers, net	<u>\$ (819,696)</u>	<u>\$ (722,635)</u>	<u>\$ 1,542,331</u>

Due from (due to) fund balances are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Due to General Fund from Special Revenue Fund for ESSER	\$ 271,200	\$ (271,200)
Due to General Fund from Special Revenue Fund for NSLP	12,208	(12,208)
Total Due from (due to)	<u>\$ 283,408</u>	<u>\$ (283,408)</u>

**NOTE 9 – COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS**

**Contingencies and Concentrations**

The School receives substantially all of its funding from the State through the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the State and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School receives various forms of federal, state and local funding which are subject to financial and compliance audits. It is the opinion of management that the amount of funding, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 10 – RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past years. In addition, there were no reductions in insurance coverage from those in the prior year.

**NOTE 11 – DEFINED CONTRIBUTION RETIREMENT PLAN**

The School's personnel are eligible to participate in a defined contribution 401(k) plan covering employees who meet certain age and tenure requirements. Under the Plan, the School provides a match of 2.5% of the employee's compensation. The School contributed to the Plan \$46,917 for the year ended June 30, 2023. The School does not exercise any control or fiduciary responsibility over the Plans' assets.

REQUIRED SUPPLEMENTAL INFORMATION

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
BUDGETARY COMPARISON SCHEDULES – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

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	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 9,813,219	\$ 10,436,658	\$ 10,436,658
<b>TOTAL REVENUES</b>	<u>\$ 9,813,219</u>	<u>\$ 10,436,658</u>	<u>\$ 10,436,658</u>
<b>EXPENDITURES</b>			
Instruction	\$ 4,324,328	\$ 5,876,499	\$ 5,876,499
Instructional and student support services	227,309	360,030	360,030
General administration	11,000	47,316	47,316
School administration	945,631	936,382	936,382
Fiscal services	497,714	956,119	956,119
Central services	18,100	21,811	21,811
Operation of plant	299,328	896,652	896,652
Transportation	241,134	256,959	256,959
Maintenance of plant	103,000	143,706	143,706
Administrative technology services	107,125	87,967	87,967
Other capital outlay	436,500	630,536	630,536
<b>TOTAL CURRENT EXPENDITURES</b>	<u>7,211,169</u>	<u>10,213,977</u>	<u>10,213,977</u>
Excess of Revenues over Expenditures	<u>2,602,050</u>	<u>222,681</u>	<u>222,681</u>
Other financing sources (uses):			
Transfers in (out)	-	(819,696)	(819,696)
Receipts from Franklin Academy Foundation, Inc.	-	(110,009)	(110,009)
Net change in fund balance	<u>\$ 2,602,050</u>	<u>\$ (707,024)</u>	<u>\$ (707,024)</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
BUDGETARY COMPARISON SCHEDULES – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

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	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ -	\$ 54,600	\$ 54,600
Federal sources	1,353,112	1,239,726	1,239,726
Lunch programs fees	-	212,341	212,341
Charges and other local revenue	-	392,633	392,633
TOTAL REVENUES	<u>\$ 1,353,112</u>	<u>\$ 1,899,300</u>	<u>\$ 1,899,300</u>
EXPENDITURES			
Instruction	\$ 1,353,112	\$ 1,098,544	\$ 1,098,544
Instructional and student support services	-	19,470	19,470
Food services	-	686,577	686,577
Operation of plant	-	94,709	94,709
Transportation	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,353,112</u>	<u>\$ 1,899,300</u>	<u>\$ 1,899,300</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

**FRANKLIN ACADEMY COOPER CITY  
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)  
BUDGETARY COMPARISON SCHEDULES – DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

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	Debt Service Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Interest Income	\$ -	\$ 46,106	\$ 46,106
TOTAL REVENUES	\$ -	\$ 46,106	\$ 46,106
Debt Service:			
Redemption of principal	\$ 488,895	\$ 488,895	\$ 488,895
Amortization of bond premium	-	-	-
Interest	1,035,637	1,035,637	1,035,637
Total Expenditures	1,524,532	1,524,532	1,524,532
Deficit of revenues over expenditures	(1,524,532)	(1,478,426)	(1,478,426)
Other financing sources (uses):			
Transfers in	1,542,331	1,542,331	1,542,331
Net change in fund balance	\$ 17,799	\$ 63,905	\$ 63,905

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.





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*

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Board of Directors of  
Franklin Academy Cooper City  
Cooper City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Franklin Academy Cooper City (the “School”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated September 27, 2023.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 27, 2023



## MANAGEMENT LETTER

Board of Directors of  
Franklin Academy Cooper City  
Cooper City, Florida

Armando Aburto, C.P.A.  
Jorge Albeirus, C.P.A.  
Viviana Bruno, C.P.A.  
Lisset I. Cascudo, C.P.A.  
Michelle del Sol, C.F.E., C.P.A.  
Elizabeth Jarvis, C.P.A.  
Cristy C. Rubio, C.P.A.  
Pedro L. Silva, C.P.A.  
Michael Vildosola, C.P.A.

### Report on the Financial Statements

We have audited the financial statements of Franklin Academy Cooper City (the “School”), a non-major component unit of the District School Board of Broward County, Florida, as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 27, 2023.

### 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 the United States; and Chapter 10.850, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated September 29, 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 findings and recommendations made in the preceding annual financial 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 Franklin Academy Cooper City and #065037.

## **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 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 financials 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. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2022 is not deteriorating.

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

## **Transparency**

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

## **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires 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, applicable management, and the School Board of Broward County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 27, 2023