CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.

HOLLYWOOD, FLORIDA
(A CHARTER SCHOOL AND A COMPONENT UNIT
OF THE SCHOOL BOARD OF BROWARD, FLORIDA)

BASIC FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT AND SUPPLEMENTAL INFORMATION

JUNE 30, 2026

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2026

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CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
(A Charter School and Component Unit of the School Board of Broward County)

1100 Hillcrest Drive,
Hollywood, FL 33021

2025-2026

BOARD OF DIRECTORS

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Ms. Keri Diaz, Secretary
Mr. Emiline Munoz, Treasurer
Mr. Johnny Gaspard, Member

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COLLABORATIVE FAMILY
LAW INSTITUTE

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Championship Academy of Distinction at Hollywood Middle, Inc.
Hollywood, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and aggregate remaining fund information of Championship Academy of Distinction at Hollywood Middle, Inc. (the "School"), a charter school and component unit of the School Board of Broward County, as of and for the year ended June 30, 2026, 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, 2026, 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.

Emphasis of Matter – Cessation of Operations

As discussed in Note 9 to the financial statements, prior to June 30, 2026, the School's governing board elected to voluntarily cease operations and surrender its charter. The School ceased operations effective June 30, 2026. Our opinions are 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026 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 the effectiveness of 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.

García Santa María De Armas Trujillo, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026

Management's Discussion and Analysis
Championship Academy of Distinction at Hollywood Middle, Inc.
June 30, 2026

The corporate officers of Championship Academy of Distinction at Hollywood Middle, Inc. (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2026.

FINANCIAL SUMMARY

1. The net position of the School at June 30, 2026 was $53,576.
2. The School had a decrease of $139,992 in its net position for the year ended June 30, 2026.
3. The School had current assets of $387,139 at June 30, 2026.
4. The School had an unassigned fund balance of $53,576 at June 30, 2026.
5. The School voluntarily closed its doors on June 30, 2026.

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, 2026 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 and liabilities. The difference between the two is reported as *net position*. 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 as soon as the underlying event resulting in the change 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. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental 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.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds, if applicable. A budgetary comparison statement has been provided for the School's general fund 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 - 24 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of the School's financial position. A summary of the School's net position as of June 30, 2026 and 2025 follows:

	Net Position	
Assets	2026	2025
Cash and cash equivalents	$ 113,931	$ 262,205
Due from other agencies	273,208	31,038
Capital and right-of-use assets, net	-	1,463,440
Total Assets	$ 387,139	$ 1,756,683
Liabilities and Net Position		
Accounts and wages payable and accrued liabilities	$ 5,247	$ 181,132
Due to related parties	328,316	41,793
Right-of-use liability	-	1,340,190
Total Liabilities	333,563	1,563,115
Net investment in capital assets	-	123,250
Unrestricted	53,576	70,318
Total Net Position	53,576	193,568
Total Liabilities and Net Position	$ 387,139	$ 1,756,683

The School voluntarily closed its doors at the end of the school year and fully depreciated all capital assets. At June 30, 2026, the School had cash and cash equivalents of $113,931 and due from other agencies of $273,208 that were fully collected after year end.

A summary and analysis of the School's revenues and expenses for the year ended June 30, 2026 and 2025 follows:

REVENUES	2026	2025
Program Revenues		
Federal lunch program	$ 159,430	$ 187,210
Revenues from state sources	147,884	135,997
State capital outlay funding	265,220	221,573
General Revenues		
State and local sources	2,440,363	2,402,230
Other local revenue	94,168	9,443
Total Revenues	$ 3,107,065	$ 2,956,453
EXPENSES		
Instruction	$ 1,363,714	$ 1,572,109
Instructional support services	65,739	31,890
Instructional related technology	2,358	7,274
School Board	271,085	77,579
General administration	-	104,747
School administration	466,949	448,233
Fiscal services	56,239	29,043
Food services	171,393	202,458
Transportation	26,892	28,400
Operation of plant	767,322	604,165
Interest and other fees	55,366	76,035
Total Expenses	$ 3,247,057	$ 3,181,933
Change in Net Position	(139,992)	(225,480)
Net Position at Beginning of Year	193,568	419,048
Net Position at End of Year	$ 53,576	$ 193,568

The School's total revenues for the year ended June 30, 2026 were $3,107,065 while its total expenses were $3,247,057 for a net decrease of $139,992. The increase in total revenues compared with the prior year was primarily due to a $43,479 gain on termination of the right-of-use lease and an increase in state and local funding. Expenses were stable compared to prior year with a small increase of $65,124.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a 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 unassigned fund balance of $53,576.

A summary and analysis of the following governmental funds' revenues, expenditures and changes in fund balance for the years ended June 30, 2026 and 2025 follows:

	General Fund	
	2026	2025
Total Revenues	$ 2,491,052	$ 2,442,551
Total Expenditures	2,507,794	6,576,743
Excess (deficit) of revenues over expenditures	(16,742)	(4,134,192)
Other Financing Sources (Uses)		
Increase in right-of-use liability	-	3,804,525
Total Other Financing Sources (Uses)	-	3,804,525
Net change in fund balance	(16,742)	(329,667)
Fund balance at beginning of year	70,318	399,985
Fund balance at end of year	$ 53,576	$ 70,318

The School had a net decrease in fund balance of $16,742 for the year ended June 30, 2026. The School voluntarily closed its doors on June 30, 2026.

CAPITAL IMPROVEMENT REQUIREMENT

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

CAPITAL ASSETS

The School, as of June 30, 2026, had a net investment in capital assets of $0.

SCHOOL LOCATION

The School operated in the Hollywood area located at 1100 Hillcrest Drive, Hollywood, FL 33021 for the year ended June 30, 2026.

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Ms. Jennifer Carreno, Operations Manager, at 1100 Hillcrest Drive, Hollywood, FL 33021.

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 113,931
Due from other agencies	273,208
TOTAL CURRENT ASSETS	387,139
CAPITAL ASSETS, NET	-
TOTAL ASSETS	$ 387,139
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued liabilities	$ 5,247
Due to related parties	328,316
TOTAL LIABILITIES	333,563
NET POSITION	
Unrestricted	53,576
TOTAL NET POSITION	53,576
TOTAL LIABILITIES AND NET POSITION	$ 387,139

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

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
Instruction	$ 1,363,714	$ -	$ 147,884	$ -	$ (1,215,830)
Instructional and student support services	65,739	-	-	-	(65,739)
Instructional related technology	2,358	-	-	-	(2,358)
School Board	271,085	-	-	-	(271,085)
General administration		-	-	-	-
School administration	466,949	-	-	-	(466,949)
Fiscal services	56,239	-	-	-	(56,239)
Food services	171,393	-	159,430	-	(11,963)
Transportation	26,892	-	-	-	(26,892)
Operation of plant	767,322	-	-	265,220	(502,102)
Interest and other fees	55,366	-	-	-	(55,366)
Total Governmental Activities	$ 3,247,057	$ -	$ 307,314	$ 265,220	$ (2,674,523)
GENERAL REVENUES:					
State and local sources					2,440,363
Gain on termination of lease					43,479
Local and other revenue					50,689
Total general revenues					2,534,531
Change in Net Position					(139,992)
NET POSITION - BEGINNING					193,568
NET POSITION - ENDING					$ 53,576

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

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Non-Major Funds	Total Governmental
ASSETS			
Cash and cash equivalents	$ 113,931	$ -	$ 113,931
Due from other agencies	273,208	-	273,208
TOTAL ASSETS	$ 387,139	$ -	$ 387,139
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	$ 5,247	$ -	$ 5,247
Due to related party	328,316	-	328,316
TOTAL LIABILITIES	333,563	-	333,563
FUND BALANCE			
Unassigned	53,576	-	53,576
TOTAL FUND BALANCE	53,576	-	53,576
TOTAL LIABILITIES AND FUND BALANCE	$ 387,139	$ -	$ 387,139

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

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total Fund Balance - Governmental Funds	$	53,576
There are no reconciling items.		
Total Net Position - Governmental Activities	$	53,576

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

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Non-Major Funds	Total Governmental Funds
REVENUES			
State and local sources	$ 2,440,363	$ -	$ 2,440,363
Federal lunch program	-	159,430	159,430
Federal passed through state	-	147,884	147,884
State capital outlay funding	-	265,220	265,220
Other	50,689	-	50,689
TOTAL REVENUES	$ 2,491,052	$ 572,534	$ 3,063,586
EXPENDITURES			
Current:			
Instruction	$ 1,153,827	$ 147,884	$ 1,301,711
Instructional support services	65,739	-	65,739
Instructional related technology	2,358	-	2,358
School Board	271,085	-	271,085
School administration	358,889	-	358,889
Fiscal services	56,239	-	56,239
Food services	11,963	159,430	171,393
Transportation	26,892	-	26,892
Operation of plant	331,283	-	331,283
Capital Outlay:			
Instruction	14,739	-	14,739
Debt service:			
Reduction of right-of-use liability	159,414	265,220	424,634
Interest	55,366	-	55,366
TOTAL EXPENDITURES	2,507,794	572,534	3,080,328
Excess of expenditures over revenues	(16,742)	-	(16,742)
NET CHANGE IN FUND BALANCE	(16,742)	-	(16,742)
Fund balance at beginning of year	70,318	-	70,318
Fund balance at end of year	$ 53,576	$ -	$ 53,576

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

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2026

Change in Fund Balance - Governmental Funds		$ (16,742)
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 and/or amortization expense. Other income includes amounts previously recorded as a capital outlay, however, amounts were refunded in the current year. Gain on termination of right-of-use is recorded as revenues in the statement of activities; however, it is not included in the governmental funds.		
	Capital outlays	14,739
	Depreciation expense	(170,063)
	Amortization expense	(436,039)
	Gain on termination of right-of-use	43,479
Repayments of lease liabilities is reported as an expenditures in the governmental funds; however, the repayment reduces long-term liabilities in the statement of net position and is not reported as an expense in the statement of activities.		
	Net reduction in right-of-use liability	424,634
Change in Net Position of Governmental Activities		$ (139,992)

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

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Championship Academy of Distinction at Hollywood Middle, Inc. (the "School"), a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act and Section 1002.33, Florida Statutes, is a charter school and is a component unit of the District Board of Broward County, Florida (the "District"). The School is governed by a Board of Directors composed of six members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter agreement with the District, effective until June 30, 2026. The charter may be renewed as provided in Section 1002.33 or 1002.331, Florida Statutes, upon mutual consent between the School and the District and execution of a written renewal. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least ninety days prior to the charter's expiration. The School's charter contract provides in that, in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown.

The School voluntarily closed its doors on June 30, 2026.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board ("GASB").

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 for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

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 and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

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 their assets, liabilities, equity, revenues and expenditures. Major and non-major individual governmental funds, namely, the general, special revenue, debt service, and capital project funds are reported as separate columns in the fund financial statements:

The School utilizes the following major and non-major governmental funds:

General Fund – is the School's primary operating fund. The General Fund accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

Capital Projects Fund – in accordance with guidelines established by the School Board of Broward County, Florida, this fund accounts for all resources for the leasing or acquisition of capital facilities by the School to the extent funded by capital outlay funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 Guidelines.*

The government-wide statements report using the economic resources measurement focus and the 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. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 *"Accounting and Financial Reporting for Non-Exchange Transactions."* On the accrual basis, revenues from grants and donations are recognized 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 current liabilities. 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. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis of 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, purchased services, and capital outlay) within each activity (e.g. instructional, pupil personnel services and school administration). Any revisions to the annual budget are approved by the Board.

Cash and Cash Equivalents

The School's cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

Due from Other Agencies

Due from other agency consist of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources.

Capital Assets and Depreciation

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are $1,000 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

	Esimated Useful Lives (years)
Improvements other than building	5
Furniture, fixtures, and equipment	3 - 5

Compensated Absences

The School grants a specific number of days for sick/personal leave. Full-time office and administrative employees are eligible for up to eight days of active work during the ten-month period (a "benefit year"). Teachers are eligible for up to eight days of active work during the benefit year. In the event that available time is not used by the end of the benefit year, employees may not "rollover" all unused days for use in future benefit years. There is an opportunity for teachers to "cash out" unused days; however, teachers may only cash out if they have not used their eligible days by the end of the benefit year.

In accordance with GASB Statement No. 101, Compensated Absences, the School recognizes a liability for leave when:

1. The leave is attributable to services already rendered by employees;
2. The leave accumulates and can be carried forward to future reporting periods;
3. It is more likely than not that the leave will be used for time off, paid in cash, or settled through other non-cash means.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

The liability for compensated absences is measured using employees' pay rates in effect at the financial statement date. In the government-wide financial statements, compensated absences are reported as liabilities and expensed as incurred. In the governmental fund financial statements, the liability is recognized only for amounts that have matured as of year-end.

The School also provides certain days to be used for specific personal matters 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.

Government-wide Net Position

Government-wide net position is divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources.
- 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 less related liabilities and deferred inflows of resources.
- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- 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.
- 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.
- Assigned – fund balance classification is 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.
- Unassigned – fund balance is the residual classification for the School's general fund and includes all spendable amounts not contained in the other classifications.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Fund Balance Spending Policy

The School considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, or unassigned amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The School has a revenue spending policy that provides guidance for programs with multiple revenue sources. The finance officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-city funds, city funds, and funds passed through the District. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The finance officer has the authority to deviate from this policy if it is in the best interest of the School.

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Broward County (the "School Board") 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 School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

The School may also receive federal grant awards and State financial assistance for the enhancement of various educational programs. Federal awards and State financial assistance are generally received based on an application submitted to and approved by various granting agencies. For federal awards and state financial assistance 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. This activity is recorded in the Special Revenue Fund and Capital Outlay Fund. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Income Taxes

Championship Academy of Distinction at Hollywood Middle, Inc. qualifies as a tax-exempt organization under the 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. Additionally, no uncertain tax positions have been identified requiring disclosure in the related notes to the financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2026, which is the date the financial statements were available to be issued.

Adopted Accounting Pronouncements

Implementation of GASB Statement No. 103

During the current fiscal year, the School implemented Governmental Accounting Standards Board (GASB) Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance the effectiveness of financial reporting in providing information that is essential for decision-making and assessing accountability.

The implementation of GASB Statement No. 103, Financial Reporting Model Improvements resulted in changes to the presentation and related disclosures of the School's financial statements, as applicable, including requirements related to management's discussion and analysis, budgetary comparison information, and the presentation and classification of certain financial statement items.

Implementation of GASB Statement No. 104

The School evaluated and implemented the requirements of GASB Statement No. 104, Disclosure of Certain Capital Assets for the year ended June 30, 2026. The implementation of both statements did not have a material effect on the School's beginning net position or fund balance.

NOTE 3 - CASH DEPOSITS

It is the School's policy to maintain its cash and cash equivalents in one financial institution. Deposits at FDIC-insured financial institutions are insured up to $250,000 per depositor, per financial institution. As of June 30, 2026, the School's bank balances did not exceed the FDIC limit.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2026 is as follows:

Capital Assets	Balance 7/1/2025	Additions	Disposals	Balance 6/30/2026
Leasehold improvements	$ 125,380	$ -	$ -	$ 125,380
Furniture and fixtures	88,860	14,739	-	103,599
Total Capital Assets	214,240	14,739	-	228,979
Less Accumulated Depreciation				
Leasehold improvements	(17,320)	(108,060)	-	(125,380)
Furniture and fixtures	(41,596)	(62,003)	-	(103,599)
Total Accumulated Depreciation	(58,916)	(170,063)	-	(228,979)
Capital Assets, net	155,324	(155,324)	-	-
Right-of-use assets				
Right-of-use lease asset	1,744,155	-	(1,744,155)	-
Accumulated amortization	(436,039)	(436,039)	872,078	-
Total leased assets, net	1,308,116	(436,039)	(872,077)	-
Total capital and right-of-use assets, net	$ 1,463,440	$ (591,363)	$ (872,077)	$ -

NOTE 4 - CAPITAL ASSETS (Continued)
For the year ended June 30, 2026, depreciation expense totaled $170,063, which was allocated to instruction and school administration for $62,003 and $108,060, respectively in the statement of activities. Amortization expense for the year ended June 30, 2026 totaled $436,039, which was allocated to operation of plant.

NOTE 5 – RELATED PARTY TRANSACTIONS
The School transacts with other charter schools, Championship Academy of Distinction of Hollywood, Inc. ("CADH") and Championship Academy of Distinction at Davie, Inc. ("CADD"), which are related through common control by the School's management and Board of Directors. At times, the related charter schools may pay expenses on behalf of the School and vice versa, which are recorded as amounts due to or from related parties. Activities between the related entities are related to lease obligations, management fees, payroll and employee benefits, National School Lunch Program reimbursement, and student transportation services.

Amounts due to related parties as of June 30, 2026 are as follows:

Due to CADH	$ 328,316
Due to related parties	$ 328,316

NOTE 6 – PROFESSIONAL SERVICES CONTRACT
In March 2022, the School entered into an agreement with Building Hope Services to provide accounting, financial reporting, human resources and payroll services to the School. The contract, renewable annually, calls for an annual fee of $100 per student based on enrollment at the beginning of the school year, payable in monthly installments. For the year ended June 30, 2026, the School incurred fees related to this agreement totaling $37,949.

NOTE 7 – FACILITY LEASE
The School entered into a sublease agreement with CADH, for its educational facility through June 30, 2028. The lease calls for annual base rent to be $480,000, payable monthly, and for additional rent as the School assists with the payments of insurance, maintenance, and utility costs. Rent expense charged to operations for the year ended June 30, 2026 totaled $480,000.

The School implemented GASB Statement No. 87, Leases, and as a result recorded a lease right-of-use asset and liability in these financial statements for the facility lease, based on the most recent rental agreement between CADH and the School. The School used an interest rate of 5.00% based on the average incremental borrowing rate of the School to discount the annual lease payments and recognize the intangible right-of-use asset and lease liability as of July 1, 2024. The interest expense was $55,366 and the amortization of the right-of-use asset was $436,039 for the year ended June 30, 2026.

NOTE 7 – FACILITY LEASE (Continued)
Changes in long-term right-of-use liability during the year are as follows:

	Balance July 1, 2025	Increase	Decrease	Balance June 30, 2026
Right-of-use liability	$1,340,190	$ -	$ 1,340,190	$ -
	$1,340,190	$ -	$ 1,340,190	$ -

The lease was terminated as of June 30, 2026 as the School voluntarily closed the school. The right-of-use asset and liability were removed at June 30, 2026.

NOTE 8 – CERTAIN RISKS AND CONTINGENCIES
Litigation Settlement
During the year ended June 30, 2026, the School along with its two affiliated schools, Championship Academy of Distinction at Davie, Inc. ("CADD") and Championship Academy of Distinction at Hollywood, Inc. ("CADH") resolved certain litigation and paid $924,748 pursuant to the settlement agreement. A portion of the settlement amount of $231,187 has been recognized in the accompanying financial statements in board expenses. As of June 30, 2026, the School had no remaining obligation related to the settled matter.

Other
The School receives the majority of its operating revenue from per-pupil funding provided by the District under the Florida Education Finance Program (FEFP), based on the number of full-time equivalent (FTE) students enrolled. Changes in enrollment levels or modifications to the State of Florida's funding formula or allocation procedures could affect the School's ability to provide educational services or meet financial obligations. The accuracy of FTE data submitted by the School is subject to audit by the state and, if found to be in error, could result in refunds to the state or reductions in future funding. The School also receives grant funds from various federal, state, and local agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as a result of these audits is not reflected in these financial statements.

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 its insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

In the course of conducting its operations, the School may become party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

NOTE 9 – CESSATION OF OPERATIONS

Prior to June 30, 2026, the School's governing board elected to voluntarily cease operations and surrender its charter. The School continued operations through June 30, 2026, at which time educational operations ceased. As a result of the Board's decision, the School will not operate as a charter school subsequent to the closure date. Management is in the process of winding down the School's operations, including collecting remaining receivables, settling outstanding obligations, and disposing of or transferring the School's remaining assets in accordance with applicable agreements and regulatory requirements. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental entities.

REQUIRED SUPPLEMENTAL INFORMATION

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund				
	Budgeted Amounts		Variance with Original Budget - over (under)	Actual Amounts Budgetary (and	Variance with Final Budget - over (under)
	Original	Final Budget	Final Budget	GAAP) Basis	Actual Amounts
REVENUES					
State and local sources	$ 2,440,258	$ 2,440,258	$ -	$ 2,440,363	$ 105
Charges for services and other income	20,700	20,700	-	50,689	29,989
TOTAL REVENUES	2,460,958	2,460,958	-	2,491,052	30,094
EXPENDITURES					
Instruction	1,365,581	1,365,581	-	1,168,566	(197,015)
Instructional support services	35,000	35,000	-	65,739	30,739
Instructional staff training services	7,500	7,500		-	(7,500)
Instructional related technology services	5,000	5,000	-	2,358	(2,642)
School board	64,600	64,600	-	271,085	206,485
School administration	423,871	423,871	-	358,889	(64,982)
Fiscal services	33,000	33,000	-	56,239	23,239
Food services	-	-	-	11,963	11,963
Transportation services	30,500	30,500	-	26,892	(3,608)
Operation of plant	344,035	344,035	-	331,283	(12,752)
Maintenance of plant	10,000	10,000	-	-	(10,000)
Debt service	-	-	-	214,780	214,780
TOTAL EXPENDITURES	2,319,087	2,319,087	-	2,507,794	188,707
Other financing sources, net	(141,871)	(141,871)	-	-	141,871
Net change in fund balance	$ -	$ -	$ -	$ (16,742)	$ (16,742)

See accompanying note to the required supplemental information.

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operation at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2026, has been prepared according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general fund for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

NOTE B – ACTUAL BUDGET RESULTS

	General Fund over (under)
BUDGETARY REVENUES - GENERAL FUND	
Differences - original budget to final budget	
There were no significant differences between the original and final budget.	N/A
Differences - final budget to actual	
There were no significant differences between the final budget to actual results.	N/A
BUDGETARY EXPENDITURES - GENERAL FUND	
Differences - original budget to final budget	
There were no significant differences between the original and final budget.	N/A
Differences - final budget to actual	
Instruction - The School had lower than expected salaries, benefits, purchased services and materials than originally budgeted.	$ (197,015)
School board - The School had to pay damages for a breach of contract with prior management. These payments were over $250,000 for the year.	$ 206,485
Debt service - The School had to pay right-of-use liability payments through the general fund because the capital projects fund could not cover all expenditures.	$ 214,780

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

Board of Directors of
Championship Academy of Distinction at Hollywood Middle, Inc.
Hollywood, 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 Championship Academy of Distinction at Hollywood Middle, Inc. (the "School") as of and for the year ended June 30, 2026, 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 30, 2026.

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 material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026

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MANAGEMENT LETTER

Board of Directors of
Championship Academy of Distinction at Hollywood Middle, Inc.
Hollywood, Florida

Report on the Financial Statements
We have audited the financial statements of Championship Academy of Distinction at Hollywood Middle, Inc. (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, 2026, and have issued our report thereon dated September 30, 2026.

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 30, 2026, 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 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 Championship Academy of Distinction at Hollywood Middle, Inc. and #065215.

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 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 management.

Prior to June 30, 2026, the School's governing board elected to voluntarily cease operations and surrender its charter. The School continued operations through June 30, 2026, at which time educational operations ceased. The decision to cease operations was voluntary and was not the result of a deteriorating financial condition or the occurrence of any of the conditions described in Section 218.503(1), Florida Statutes. Management is in the process of winding down the School's operations, including the collection of remaining receivables, settlement of outstanding obligations, and disposition or transfer of remaining assets, as applicable.

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 do 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 the information specified in Section 1002.33(9)(p), Florida Statutes on its Web site.

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.

García Santa María De Armas Trujillo, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026