



Franklin Academy Cooper City  
(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)**

Cooper City, Florida

Financial Statements and  
Independent Auditors' Report

June 30, 2021

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Franklin Academy Cooper City  
(A charter school under Franklin Academy Foundation, Inc. and Subsidiary)  
W/L# 5037  
6301 S. Flamingo Road  
Cooper City, FL 33330

2020-2021

BOARD OF DIRECTORS

Dr. David Thomas, Chair  
Alexandra Kruse  
Catherine Arcabascio  
Debbie Orshefsky  
Dr. Jaqueline Greenberg

SCHOOL ADMINISTRATION

Alexandra Fox, M.Ed., Principal

OTHER CORPORATE OFFICERS

Scott E. Sznitken, Executive Director



## INDEPENDENT AUDITORS' REPORT

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

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 (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, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

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

## **Other Matters**

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Franklin Academy Cooper City as of June 30, 2021, and the respective changes in financial position for 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, 2021 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *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 on pages 4 through 8 and 28 through 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 28, 2021

**Management’s Discussion and Analysis**  
Franklin Academy Cooper City  
(A charter school under Franklin Academy Foundation, Inc. and Subsidiary)  
June 30, 2021

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, 2021.

**Financial Highlights**

1. The net position of the School as of June 30, 2021 was \$4,258,099.
2. At year-end, the School had current assets on hand of \$5,434,976.
3. The net position of the School increased by \$1,118,359 during the year.
4. The unassigned fund balance at year end was \$2,172,220.

**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, 2021 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 out flows of resources, liabilities, and deferred in flows of resources. The difference between the four 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 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 9 - 10 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 11 - 14 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 15-27 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 \$4,258,099 at the close of the fiscal year. A summary of the School's net position as of June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,875,977	\$ 1,698,251
Restricted cash	2,482,442	2,476,051
Due from other agencies	76,557	61,176
Due from Franklin Academy Foundation, Inc.	3,245,848	3,241,529
Capital assets, net	<u>19,184,719</u>	<u>19,564,677</u>
<b>Total Assets</b>	<u>27,865,543</u>	<u>27,041,684</u>
<b>Deferred outflows of resources</b>	-	-
Salaries and wages payable	714,334	553,953
Accounts payable and accrued liabilities	65,980	62,466
Accrued interest	446,816	454,371
Bond Payable	<u>22,380,314</u>	<u>22,831,154</u>
<b>Total Liabilities</b>	<u>23,607,444</u>	<u>23,901,944</u>
<b>Deferred inflows of resources</b>	-	-
<b>Net Position:</b>		
Restricted	2,035,626	2,082,856
Unrestricted	<u>2,222,473</u>	<u>1,056,884</u>
<b>Total Net Position</b>	<u>\$ 4,258,099</u>	<u>\$ 3,139,740</u>

At the end of the year, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Program Revenues		
Capital Grants and Contributions	\$ 883,242	\$ 827,852
State passed through local	54,600	54,600
Federal Sources	620,899	216,728
Lunch Program Fees	699	173,274
Charges for Services	22,980	199,860
General Revenues		
Local Sources(FTE and other non specific)	9,600,118	9,495,185
Other Revenues	31,953	51,539
<b>Total Revenues</b>	<u>\$ 11,214,491</u>	<u>\$ 11,019,038</u>
<b>EXPENSES</b>		
Component Unit Activities:		
Instruction	\$ 5,405,085	\$ 5,459,109
Student support services	210,221	56,357
Curriculum development	12,194	131,555
General administration	46,302	45,921
School administration	726,735	770,519
Fiscal services	994,669	870,914
Food services	306,603	386,801
Pupil transportation	168	191,065
Operation of plant	573,937	644,853
Maintenance of plant	130,784	139,087
Interest expense	1,076,324	1,041,249
Unallocated depreciation	613,110	676,721
<b>Total Expenses</b>	<u>10,096,132</u>	<u>10,414,151</u>
Increase in Net Position	1,118,359	604,887
Net Position at Beginning of Year	<u>3,139,740</u>	<u>2,534,853</u>
Net Position at End of Year	<u>\$ 4,258,099</u>	<u>\$ 3,139,740</u>

Student enrollment remained consistent during the 2020-2021 school year. As a result, of increases in FTE and other non-specific revenues, the School's revenues increased by \$195,453 and expenses decreased by \$318,019 due to lunch and transportation decreases from COVID protocol. The School had an increase in its net position of \$1,118,369 for the year.

### **School Location and Lease of Facility**

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

### **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 1,345 students enrolled in grades kindergarten through eighth.



## **Accomplishments**

Franklin Academy's Cooper City Campus opened its doors to 1340 students in grades Kindergarten through 8th grade. During the 2020-2021 school year, we offered distance, in-person and hybrid educational models. Even with more than 50% of students learning from home, we raised over \$35,000 in our biggest fundraiser of the year; support with many online platforms to support our all students.

Franklin Academy's Cooper City campus continues being an IB World school. providing our 6th through 8th grade students with a rigorous program that focused on global discussions, compassionate, and lifelong learning skills and being a school that values international-mindedness and diversity. Our five-year evaluation was conducted in February, in which we received many commendations and praises on our program and staff collaboration.

We also received a generous donation and started our "Angela's Buddy Bench" program to promote friendship so no one is left out. (Part of the Say Hello program after Sandy Hook.) Funds will also grow our garden with flowers/plant Angela liked. Angela was one of our students that passed away right before the 20-21 school year started.

## **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 \$2,172,220. The fund balance unassigned and available for spending at the School's discretion is \$2,172,220.

### **Capital Assets**

The School's investment in capital assets as of June 30, 2021 amounts to \$19,184,719 (net of accumulated depreciation). This investment in capital assets includes building and improvements, furniture, fixtures and computer equipment. The school has an outstanding debt associated to Capital Assets of \$22,380,314 at June 30, 2021.

## 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.

	Governmental Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Program Revenues			
State capital outlay funding	\$ 685,950	\$ 883,242	\$ 883,242
State passed through local	55,000	54,600	54,600
Federal sources	480,000	620,899	620,899
Lunch program fees	-	699	699
General Revenues			
FTE and other nonspecific revenues	10,020,527	9,600,118	9,600,118
Charges and other revenues	-	54,831	54,933
Total Revenues	<u>11,241,477</u>	<u>11,214,389</u>	<u>11,214,491</u>
<b>CURRENT EXPENDITURES</b>			
Component Unit Activities			
Instruction	5,746,848	5,405,085	5,405,085
Student support services	461,130	210,221	210,221
Curriculum development	11,000	12,194	12,194
General administration	42,000	46,302	46,302
School administration	835,664	726,735	726,735
Fiscal services	1,254,124	994,669	994,669
Food services	428,000	306,604	306,603
Pupil Transportation	-	168	168
Operation of plant	1,268,258	573,937	573,937
Maintenance of plant	112,000	130,784	130,784
Interest expense	1,073,869	1,073,869	1,073,869
Total Current Expenditures	<u>\$ 11,232,893</u>	<u>\$ 9,480,568</u>	<u>\$ 9,480,567</u>

## 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 Alexandra Fox, M.Ed., 6301 South Flamingo Road, Cooper City, Florida, 33330.

Franklin Academy Cooper City  
(A charter school under Franklin Academy Foundation, Inc.)

Statement of Net Position  
June 30, 2021

	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Current assets:	
Cash	\$ 2,875,977
Restricted cash:	
Funds held by trustee	2,482,442
Due from other agencies	<u>76,557</u>
Total Current Assets	5,434,976
Due from Franklin Academy Foundation, Inc.	3,245,848
Capital assets, non-depreciable	3,500,000
Capital assets, depreciable	19,786,699
Less: accumulated depreciation	<u>(4,101,980)</u>
	19,184,719
Total Assets	<u>27,865,543</u>
<b><u>Deferred Outflows of Resources</u></b>	
	<u>-</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Salaries and wages payable	714,334
Accounts payable and accrued liabilities	65,980
Accrued interest	<u>446,816</u>
Total Current Liabilities	1,227,130
Long-term debt:	
Revenue bond payable within one year	469,908
Revenue bond payable in more than one year	<u>21,910,406</u>
Total Liabilities	23,607,444
<b><u>Deferred Inflows of Resources</u></b>	
	<u>-</u>
<b><u>Net Position</u></b>	
Restricted	2,035,626
Unrestricted	<u>2,222,473</u>
Total Net Position	<u>\$ 4,258,099</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, 2021

FUNCTIONS	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 5,405,085	\$ -	314,994	\$ -	\$ (5,090,091)
Student support services	210,221	-	-	-	(210,221)
Curriculum development	12,194	22,980	-	-	10,786
General administration	46,302	-	-	-	(46,302)
School administration	726,735	-	-	-	(726,735)
Fiscal services	994,669	-	-	-	(994,669)
Food services	306,603	699	305,905	-	1
Pupil transportation	168	-	-	-	(168)
Operation of plant	573,937	-	54,600	883,242	363,905
Maintenance of plant	130,784	-	-	-	(130,784)
Interest expense	1,076,324	-	-	-	(1,076,324)
Unallocated depreciation	613,110	-	-	-	(613,110)
<b>Total governmental activities</b>	<b>10,096,132</b>	<b>23,679</b>	<b>675,499</b>	<b>883,242</b>	<b>(8,513,712)</b>
General revenues:					
FTE and other nonspecific revenues					9,600,118
Interest and other revenue					31,953
Change in net position					1,118,359
Net position, beginning					3,139,740
Net position, ending					\$ 4,258,099

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, 2021

	General Fund	Non Major Governmental Funds	Debt Service Fund	Total Governmental Funds
<b><u>Assets</u></b>				
Cash	\$ 2,875,977	\$ -	\$ -	\$ 2,875,977
Restricted cash:				
Funds held by trustee	-	-	2,482,442	2,482,442
Due from other agencies	-	76,557	-	76,557
Due from fund	76,557	-	-	76,557
Total Assets	<u>2,952,534</u>	<u>76,557</u>	<u>2,482,442</u>	<u>5,511,533</u>
<b><u>Deferred Outflows of Resources</u></b>				
	-	-	-	-
<b><u>Liabilities</u></b>				
Salaries and wages payable	714,334	-	-	714,334
Accounts payable	65,980	-	-	65,980
Accrued interest	-	-	446,816	446,816
Due to fund	-	76,557	-	76,557
Total Liabilities	<u>780,314</u>	<u>76,557</u>	<u>446,816</u>	<u>1,303,687</u>
<b><u>Deferred Inflows of Resources</u></b>				
	-	-	-	-
<b><u>Fund balance</u></b>				
Restricted	-	-	2,035,626	2,035,626
Unassigned	2,172,220	-	-	2,172,220
	<u>2,172,220</u>	<u>-</u>	<u>2,035,626</u>	<u>4,207,846</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 2,952,534</u>	<u>\$ 76,557</u>	<u>\$ 2,482,442</u>	<u>\$ 5,511,533</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 Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2021

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Total Fund Balance - Governmental Funds \$ 4,207,846

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

Capital assets of \$23,286,699 net of accumulated depreciation of \$4,101,980 used in governmental activities are not financial resources and therefore are not reported in the fund. 19,184,719

Long term receivables in governmental activities are financial assets but are not reported in the governmental funds. 3,245,848

Long term debt in governmental activities are financial obligations but are not reported in the governmental funds. (22,380,314)

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Total Net Position - Governmental Activities \$ 4,258,099

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, 2021

	General Fund	Non Major Governmental Funds	Debt Service Fund	Total Governmental Funds
Revenues:				
State capital outlay funding	\$ -	\$ 883,242	\$ -	\$ 883,242
State passed through local	9,600,118	54,600	-	9,654,718
Federal sources	-	620,899	-	620,899
Lunch program fees	-	699	-	699
Charges and other revenue	54,831	-	102	54,933
<b>Total Revenues</b>	<b>9,654,949</b>	<b>1,559,440</b>	<b>102</b>	<b>11,214,491</b>
Expenditures:				
Current				
Instruction	5,337,268	67,817	-	5,405,085
Student support services	210,221	-	-	210,221
Curriculum development	12,194	-	-	12,194
General administration	46,302	-	-	46,302
School administration	726,735	-	-	726,735
Fiscal services	994,669	-	-	994,669
Food services	-	306,603	-	306,603
Pupil transportation	168	-	-	168
Operation of plant	519,337	54,600	-	573,937
Maintenance of plant	130,784	-	-	130,784
Capital Outlay:				
Other capital outlay	8,085	247,177	-	255,262
Debt Service:				
Repayment of principal	-	-	453,295	453,295
Amortization of bond premium	-	-	(2,455)	(2,455)
Interest	-	-	1,076,324	1,076,324
<b>Total Expenditures</b>	<b>7,985,763</b>	<b>676,197</b>	<b>1,527,164</b>	<b>10,189,124</b>
Excess (deficit) of revenues over expenditures	1,669,186	883,243	(1,527,062)	1,025,367
Other financing sources (uses)				
Transfers in (out)	(596,589)	(883,243)	1,479,832	-
Proceeds from asset disposition	22,110	-	-	22,110
Advances to Franklin Academy Foundation, Inc.	(4,319)	-	-	(4,319)
<b>Net change in fund balance</b>	<b>1,090,388</b>	<b>-</b>	<b>(47,230)</b>	<b>1,043,158</b>
Fund Balance at beginning of year	1,081,832	-	2,082,856	3,164,688
Fund Balance at end of year	<u>\$ 2,172,220</u>	<u>\$ -</u>	<u>\$ 2,035,626</u>	<u>\$ 4,207,846</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, 2021

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Net Change in Fund Balance - Governmental Funds \$ 1,043,158

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. This is the amount by which capital outlays of \$255,262, less \$22,100 proceeds from disposition differed from depreciation expense of \$613,110. (379,958)

Increase in long term receivables is an expenditure in the governmental funds, but increases long-term assets in the statement of net position. This is the net amount by which long-term receivables increased in the current period. 4,319

Decrease in long term debt is an expenditure in the governmental funds, but decreases long-term liabilities in the statement of net position. This is the net amount by which long-term payables decreased in the current period. 450,840

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Change in Net Position of Governmental Activities \$ 1,118,359

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



## **Note 1 – Summary of Significant Accounting Policies**

### 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, 2022 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, 2021, when a total of approximately 1,345 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 statements 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.

## **Note 1 – Summary of Significant Accounting Policies (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 inter-fund 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.

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

### 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*.

**Note 1 – Summary of Significant Accounting Policies (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.

**Note 1 – Summary of Significant Accounting Policies (continued)**

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.

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 the government-wide financial 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:

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

**Note 1 – Summary of Significant Accounting Policies (continued)**

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 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. 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.

**Note 1 – Summary of Significant Accounting Policies (continued)**

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:

- a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- b) 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.
- c) 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.

*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:

- a) 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.
- b) 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 balances at year end relate to bonds issued.

**Note 1 – Summary of Significant Accounting Policies (continued)**

- c) 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.
- d) 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.
- e) 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.

Restricted Assets

Restricted assets include money market accounts that are related to amounts that the School is required to segregate in connection with the issuance of bonds, including capitalized interest fund and reserve requirements. The Trust Indenture requires the establishment of Funds for the bonds and accounts within such funds, all of which shall be special trust funds and accounts held by the Trustee. At June 30, 2021, the composition of restricted balances is as follows:

Debt Service Reserve	
Bond Interest Account	\$ 459,671
Principal Account	391,613
Bond Revenue Fund	91,123
Debt Service Reserve	1,540,035
	\$ 2,482,442

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.

Pronouncements Issued But Not Yet Effective

GASB has issued GASB Statement No. 87 *Leases, effective fiscal year 2022*, that will affect the future financial position, results of operations, or financial presentation of the School upon implementation. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

**Note 1 – Summary of Significant Accounting Policies (continued)**

New Accounting Standard Adopted

In fiscal year 2021, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: Statement No. 84 *Fiduciary Activities*.

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.

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 28, 2021, 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, 2021:

	Balance 07/01/20	Additions	Retirements	Balance 06/30/21
Capital assets, not being depreciated				
Land	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000
Capital Assets, depreciable:				
Buildings and improvements	17,487,912	-	-	17,487,912
Computer equipment and software	387,299	233,831	-	621,130
Furniture, equipment and textbooks	1,678,336	21,431	22,110	1,677,657
Total Capital Assets	<u>23,053,547</u>	<u>255,262</u>	<u>22,110</u>	<u>23,286,699</u>
Less Accumulated Depreciation:				
Buildings and improvements	(1,826,401)	(439,878)	-	(2,266,279)
Computer equipment and software	(372,832)	(39,133)	-	(411,965)
Furniture, equipment and textbooks	(1,289,637)	(134,099)	-	(1,423,736)
Total Accumulated Depreciation	<u>(3,488,870)</u>	<u>(613,110)</u>	<u>-</u>	<u>(4,101,980)</u>
Capital Assets, net	<u>\$ 19,564,677</u>	<u>\$ (357,848)</u>	<u>\$ 22,110</u>	<u>\$ 19,184,719</u>

Depreciation expense for the year ended June 30, 2021 was \$613,110.



### **Note 3 – Deposits, Operating Unrestricted**

#### 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, 2021, the carrying amount of the School's deposits was \$2,875,977 and the respective bank balances totaled \$2,895,468.

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, 2021, bank balances in potential excess of FDIC coverage totaled \$2,895,468.

### **Note 4 – Management**

The School uses Franklin Academy Foundation Inc. (the holder of the School's charter) to provides 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. There is no written agreement with Franklin Academy Foundation, Inc. During the year, the School made payments totaling \$739,970.

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. The agreement can be terminated at any time by the board with 30 day notice. During the year ended June 30, 2021, the School incurred \$67,270 in management fees. Building Hope Services, LLC. is located at 1225 SE 2<sup>nd</sup> Avenue, Fort Lauderdale, Florida, 33316.

### **Note 5 –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, 2021, the School had a long-term receivable of \$3,245,848.

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, 2021, administrative fees totaled \$35,302.

### **Note 6 – 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.

Franklin Academy Cooper City  
(A charter school under Franklin Academy Foundation, Inc. and Subsidiary)  
Notes to Financial Statements  
June 30, 2021

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**Note 6 – Long Term Debt (continued)**

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

**Series 2016 A Bonds:**

<b>Year</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 990,000	\$ 2,239,438
2023	\$ 1,030,000	\$ 2,199,038
2024	\$ 1,075,000	\$ 2,156,938
2025	\$ 1,115,000	\$ 2,113,138
2026	\$ 1,160,000	\$ 2,067,638
2027-2031	\$ 6,595,000	\$ 9,508,200
2032-2036	\$ 8,310,000	\$ 7,750,825
2037-2041	\$ 10,505,000	\$ 5,486,494
2042-2046	\$ 13,405,000	\$ 2,515,125

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.

Long term debt activity for the year ended June 30, 2021 was as follows:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Advances/ (Payments)</u>	<u>Amortization</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Educational Facilities Revenue						
Bonds, Series 2016A	\$ 22,894,984	\$ -	\$ (453,295)	\$ -	\$ 22,441,689	\$ 469,908
Bond Discount	(63,830)	-	-	2,455	(61,375)	
Total	<u>\$ 22,831,154</u>	<u>\$ -</u>	<u>\$ (453,295)</u>	<u>\$ 2,455</u>	<u>\$ 22,380,314</u>	<u>\$ 469,908</u>

Franklin Academy Cooper City  
(A charter school under Franklin Academy Foundation, Inc. and Subsidiary)  
Notes to Financial Statements  
June 30, 2021

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**Note 7 Inter-fund Transfers**

Inter-fund transfers in government funds as of June 30, 2021 consists of the followings:

	General Fund	Non- Major Governmental Funds	Debt Service Fund
Transfer capital outlay to Debt Service Fund	-	(883,243)	883,243
Transfer from general fund to cover debt service requirements	(596,589)	-	596,589
Total Transfers, net	<u>\$ (596,589)</u>	<u>\$ (883,243)</u>	<u>\$ 1,479,832</u>

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

Due to General Fund from Special Revenue fund for SSO lunch	\$ 61,176	\$ (61,176)	\$ -
Total Due from/(Due to)	<u>\$ 61,176</u>	<u>\$ (61,176)</u>	<u>\$ -</u>

**Note 8 – 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.

**Note 9 – 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 10 – 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 \$45,404 for the year ended June 30, 2021. The School does not exercise any control or fiduciary responsibility over the Plans' assets.

REQUIRED SUPPLEMENTARY INFORMATION

Franklin Academy Cooper City  
(A charter school under Franklin Academy Foundation, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2021

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 10,020,527	\$ 9,600,118	\$ 9,600,118
Charges and other revenue	-	54,831	54,831
Total Revenues	<u>10,020,527</u>	<u>9,654,949</u>	<u>9,654,949</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	5,746,848	5,337,268	5,337,268
Student support services	461,130	210,221	210,221
Curriculum development	11,000	12,194	12,194
General administration	42,000	46,302	46,302
School administration	835,664	726,735	726,735
Fiscal services	1,254,124	994,669	994,669
Central services	-	168	168
Operation of plant	1,268,258	519,337	519,337
Maintenance of plant	112,000	130,784	130,784
Total Current Expenditures	<u>9,731,024</u>	<u>7,977,678</u>	<u>7,977,678</u>
Excess of Revenues			
Over Current Expenditures	<u>289,503</u>	<u>1,677,271</u>	<u>1,677,271</u>
Debt Service:			
Capital Outlay	-	8,085	8,085
Other Capital Outlay			
Total Expenditures	<u>9,731,024</u>	<u>7,985,763</u>	<u>7,985,763</u>
Excess of Revenues Over Expenditures	289,503	1,669,186	1,669,186
Other financing sources (uses):			
Transfers in (out)	(793,882)	(596,589)	(596,589)
Proceeds from asset disposition	-	22,110	22,110
Advances to Franklin Academy Foundation, Inc.	-	(4,319)	(4,319)
Net change in fund balance	(504,379)	1,090,388	1,090,388
Fund Balance at beginning of year	<u>1,081,832</u>	<u>1,081,832</u>	<u>1,081,832</u>
Fund Balance at end of year	<u>\$ 577,453</u>	<u>\$ 2,172,220</u>	<u>\$ 2,172,220</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.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2021

	Debt Service Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Interest income	\$ 102	\$ 102	\$ 102
Total Revenues	102	102	102
Debt Service:			
Redemption of principal	\$ 453,295	\$ 453,295	\$ 453,295
Amortization of bond premium	(2,455)	(2,455)	(2,455)
Interest	1,076,324	1,076,324	1,076,324
Total Debt Service Expenditures	1,527,164	1,527,164	1,527,164
Total Expenditures	1,527,164	1,527,164	1,527,164
Excess (Deficit) of Revenues Over Expenditures	(1,527,062)	(1,527,062)	(1,527,062)
Other financing sources (uses)			
Transfers in (out)	1,479,832	1,479,832	1,479,832
Net change in fund balance	(47,230)	(47,230)	(47,230)
Fund Balance at beginning of year	2,082,856	2,082,856	2,082,856
Fund Balance at end of year	\$ 2,035,626	\$ 2,035,626	\$ 2,035,626

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, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 28, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing 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 to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

We issued a separate management letter dated September 28, 2021 of Franklin Academy Cooper City pursuant to Chapter 10.850, Rules of the Auditor General.

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.

A handwritten signature in blue ink that reads "HLB Grainger, LLP". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 28, 2021



## MANAGEMENT LETTER

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

### **Report on the Financial Statements**

We have audited the financial statements of Franklin Academy Cooper City, Cooper City, Florida as of and for the fiscal year ended June 30, 2021 and have issued our report thereon dated September 28, 2021.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 28, 2021, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no prior year findings and recommendations

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires 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 is Franklin Academy Cooper City, 5037.

### **Financial Condition and Management**

Section 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 Franklin Academy Cooper City 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 Franklin Academy Cooper City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

### **Financial Condition and Management (Continued)**

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 Franklin Academy Cooper City. It is management's responsibility to monitor Franklin Academy Cooper City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendation 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 Franklin Academy Cooper City maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In Connection with our audit, we determined that Franklin Academy Cooper City 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, School Board of Broward County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "HLB Gravis, LLP". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 28, 2021