

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT  
DAVIE, 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, 2023

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2023**

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

3367 North University Drive  
Davie, FL 33024

**2022-2023**

**BOARD OF DIRECTORS**

Ms. Antonia Magloire – President  
Ms. Keri Diaz – Vice President  
Mr. Daniel Winsor – Treasurer  
Ms. Regina Replinger – Secretary

**SCHOOL ADMINISTRATION**

Mr. Jeff Dudek, Principal  
Ms. Patsy Reid, Assistant Principal



## INDEPENDENT AUDITOR'S REPORT

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

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

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Championship Academy of Distinction at Davie, 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, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

## **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.

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 30, 2023

**Management’s Discussion and Analysis**  
Championship Academy of Distinction at Davie, Inc.  
June 30, 2023

The corporate officers of Championship Academy of Distinction at Davie, Inc. (the “School”) have prepared this narrative overview and analysis of the School’s financial activities for the fiscal year ended June 30, 2023, the School’s first year of operations.

**FINANCIAL HIGHLIGHTS**

1. At year-end, the School had current assets of \$1,625,425 and had a positive net position of \$270,878.
2. At year-end, the School reported a total fund balance of \$826,467.

*Overview of the Financial Statements*

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

*Government-Wide Financial Statements*

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School’s assets 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 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. *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 governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 10 - 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, 2023 and 2022 follows:

<b>Assets</b>	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 21,122	\$ 48,852
Due from other agencies	1,144,572	-
Due from related parties	459,731	460,449
Prepaid expenses	-	8,363
Capital assets, net	35,159	26,442
Right-of-use asset, net	7,800,474	8,317,633
Total Assets	<u>\$ 9,461,058</u>	<u>\$ 8,861,739</u>
 <b>Liabilities and Net Position</b>		
Accounts and wages payable and accrued liabilities	\$ 627,561	\$ 230,334
Settlements payable	171,397	286,397
Note payable	-	40,000
Right-of-use liability	8,391,222	8,716,249
Total Liabilities	<u>9,190,180</u>	<u>9,272,980</u>
Net investment in capital assets	(555,589)	(372,174)
Deficit in unrestricted	826,467	(39,067)
Total Net Position (Deficit)	<u>\$ 270,878</u>	<u>\$ (411,241)</u>
Total Liabilities and Net Position (Deficit)	<u>\$ 9,461,058</u>	<u>\$ 8,861,739</u>

At June 30, 2023, the School's total assets were \$9,461,058 and total liabilities were \$9,190,180. At June 30, 2023, the School reported a total net position of \$270,878.



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

<b>REVENUES</b>	<u>2023</u>	<u>2022</u>
Program Revenues:		
Federal lunch program	\$ 147,000	\$ 67,661
Revenues from state sources	220,379	381,171
State capital outlay funding	215,370	133,984
Charges for services	91,067	48,994
General Revenues:		
FEFP nonspecific revenue	3,073,995	2,448,827
Other local revenue	32,457	23,863
Gain on forgiveness of PPP loan	999,007	426,427
Total Revenues	<u>4,779,275</u>	<u>3,530,927</u>
 <b>EXPENSES</b>		
Instruction	1,420,415	1,285,728
Instructional support services	16,157	82,315
Instructional and curriculum	-	1,945
Instructional related technology	28,766	-
Food services	189,961	79,049
General administration	204,824	69,841
School administration	673,060	567,530
School Board	28,833	33,199
Operation of plant	1,413,686	1,337,482
Fiscal services	20,534	42,858
Transportation	66,798	40,784
Community services	34,122	24,668
Total Expenses	<u>4,097,156</u>	<u>3,565,399</u>
 Change in Net Position	682,119	(34,472)
 <b>Net Position (Deficit) at Beginning of Year</b>	<u>(411,241)</u>	<u>(376,769)</u>
<b>Net Position (Deficit) at End of Year</b>	<u><u>\$ 270,878</u></u>	<u><u>\$ (411,241)</u></u>

The School's total revenues for the year ended June 30, 2023 were \$4,779,275 while its total expenses were \$4,097,156 for a net increase of \$682,119. The School received the employee retention credit for approximately \$1,000,000 which allowed the School to generate a positive change in net position for the 2022-2023 year.

## **SCHOOL LOCATION**

The School operates at 3367 North University Drive, Davie, FL 33024

## **REQUESTS FOR INFORMATION**

This financial report is intended to provide a general overview of the Championship Academy of Distinction at Davie, Inc.'s finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Championship Academy of Distinction at Davie, Inc., 3367 North University Drive, Davie, FL 33024.

## **CAPITAL IMPROVEMENT REQUIREMENT**

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

## **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, *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.

For the year ended June 30, 2023, the School's governmental funds reported a net change in fund balance of \$825,534 and reported a combined fund balance at year-end of \$826,467.

## **CAPITAL ASSETS**

The School's investment in capital assets, as of June 30, 2023, amounts to \$35,159 (net of accumulated depreciation). This investment in capital assets includes improvements, furniture, fixtures and equipment.

## GOVERNMENTAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local district	\$ 2,896,680	\$ 2,896,680	\$ 3,081,241
State capital outlay funding	198,500	198,500	215,370
Federal passed through state	389,128	389,128	360,133
Local and other revenue	-	-	1,122,531
<b>TOTAL REVENUES</b>	<b>3,484,308</b>	<b>3,484,308</b>	<b>4,779,275</b>
<b>EXPENDITURES</b>			
Instruction	1,714,170	1,714,170	1,442,506
Instructional support services	-	-	16,157
Instructional related technology	48,948	48,948	28,766
Food services	27,973	27,973	189,961
General administration	-	-	204,824
School administration	472,908	472,908	659,687
School Board	23,000	23,000	28,833
Operation of plant	996,370	996,370	896,526
Fiscal services	39,700	-	20,534
Transportation	30,000	30,000	66,798
Debt service	-	-	365,027
Community services	-	-	34,122
<b>TOTAL EXPENDITURES</b>	<b>3,353,069</b>	<b>3,313,369</b>	<b>3,953,741</b>
 Net change in fund balance	 \$ 131,239	 \$ 170,939	 \$ 825,534

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 21,122
Accounts receivable	1,144,572
Due from related parties	459,731
<b>TOTAL CURRENT ASSETS</b>	<u>1,625,425</u>
<b>CAPITAL ASSETS, NET</b>	35,159
<b>RIGHT-OF-USE ASSETS, NET</b>	7,800,474
	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 9,461,058</u></u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 387,114
Accrued payroll and related expenses	240,447
Settlements payable, current	171,397
Right-of-use liability, current	362,012
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,160,970</u>
Right-of-use liability, long-term	8,029,210
<b>TOTAL LIABILITIES</b>	<u>9,190,180</u>
<b>NET POSITION (DEFICIT)</b>	
Invested in capital assets, net of related debt	(555,589)
Deficit in unrestricted	826,467
<b>TOTAL NET POSITION</b>	<u>270,878</u>
	<u>                    </u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 9,461,058</u></u>

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

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b>Functions</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	1,420,415	\$ -	158,937	\$ -	\$ (1,261,478)
Instructional and student support services	16,157	-	-	-	(16,157)
Instructional related technology	28,766	-	-	-	(28,766)
Food services	189,961	-	147,000	-	(42,961)
General administration	204,824	-	-	-	(204,824)
School administration	673,060	-	-	-	(673,060)
School Board	28,833	-	-	-	(28,833)
Operation of plant	1,413,686	-	61,442	215,370	(1,136,874)
Fiscal services	20,534	-	-	-	(20,534)
Pupil transportation	66,798	-	-	-	(66,798)
Community services	34,122	91,067	-	-	56,945
<b>Total Governmental Activities</b>	<b>\$ 4,097,156</b>	<b>\$ 91,067</b>	<b>\$ 367,379</b>	<b>\$ 215,370</b>	<b>\$ (3,423,340)</b>
GENERAL REVENUES:					
					3,073,995
					999,007
					32,457
					<u>4,105,459</u>
					682,119
					<u>(411,241)</u>
					<u>\$ 270,878</u>

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

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General Funds	Special Revenue Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 21,122	\$ -	\$ 21,122
Accounts receivable	1,015,007	129,565	1,144,572
Due from related parties	459,731	-	459,731
Due from internal funds	129,565	-	129,565
<b>TOTAL ASSETS</b>	<b>\$ 1,625,425</b>	<b>\$ 129,565</b>	<b>\$ 1,754,990</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 387,114	\$ -	\$ 387,114
Accrued payroll and related expenses	240,447	-	240,447
Due to internal funds	-	129,565	129,565
Settlements payable, current	171,397	-	171,397
<b>TOTAL CURRENT LIABILITIES</b>	<b>798,958</b>	<b>129,565</b>	<b>928,523</b>
<b>TOTAL LIABILITIES</b>	<b>798,958</b>	<b>129,565</b>	<b>928,523</b>
<b>FUND BALANCE</b>			
Unassigned	826,467	-	826,467
<b>TOTAL FUND BALANCE</b>	<b>826,467</b>	<b>-</b>	<b>826,467</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,625,425</b>	<b>\$ 129,565</b>	<b>\$ 1,754,990</b>

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

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

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Total Fund Balance - Governmental Funds	\$	826,467
<p>Long-term assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>		
	Capital assets, net	35,159
	Right-of-use assets, net	7,800,474
<p>Long term liabilities are not due in the current period and accordingly, are not reported as fund liabilities.</p>		
	Note payable	-
	Right-of-use liability	(8,391,222)
Total Net Position - Governmental Activities	\$	<u>270,878</u>

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

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund	Special Revenue Fund	Capital Outlay Fund	Total Governmental Funds
<b>REVENUES</b>				
State passed through local school district	\$ 3,073,995	\$ 7,246	\$ -	\$ 3,081,241
Federal lunch program	-	147,000	-	147,000
Federal passed through state	-	213,133	-	213,133
State capital outlay funding	-	-	215,370	215,370
Charges for services	91,067	-	-	91,067
Other	1,031,464	-	-	1,031,464
<b>TOTAL REVENUES</b>	<b>\$ 4,196,526</b>	<b>\$ 367,379</b>	<b>\$ 215,370</b>	<b>\$ 4,779,275</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	\$ 1,182,139	\$ 238,276	\$ -	\$ 1,420,415
Instructional support services	16,157	-	-	16,157
Instructional related technology	28,766	-	-	28,766
Food services	122,300	67,661	-	189,961
General administration	204,824	-	-	204,824
School administration	659,687	-	-	659,687
School Board	28,833	-	-	28,833
Operation of plant	619,714	61,442	215,370	896,526
Fiscal services	20,534	-	-	20,534
Transportation	66,798	-	-	66,798
Community services	34,122	-	-	34,122
<b>Capital Outlay:</b>				
Capital assets	22,091	-	-	22,091
<b>Debt service:</b>				
Principal repayments	365,027	-	-	365,027
Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,370,992</b>	<b>\$ 367,379</b>	<b>\$ 215,370</b>	<b>\$ 3,953,741</b>
Excess of revenues over expenditures	825,534	-	-	825,534
<b>OTHER FINANCING SOURCES</b>				
Proceeds from debt	-	-	-	-
Total other financing sources	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>825,534</b>	<b>-</b>	<b>-</b>	<b>825,534</b>
Fund balance at beginning of year	933	-	-	933
Fund balance at end of year	<b>\$ 826,467</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 826,467</b>

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



**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**JUNE 30, 2023**

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Change in Fund Balance - Governmental Funds	\$	825,534
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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.

Capital outlays, right-of-use asset		22,091
Depreciation expense		(13,373)
Amotization expense		(517,159)

Proceeds from issuance and increases of long-term debt are reported as an other financing source in the governmental funds. However, in the statement of net position, the amount of funds borrowed or paid are reported as increases or decreases in long-term liabilities.

Repayments of principal		365,026
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Change in Net Position of Governmental Activities		\$ 682,119
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The accompanying notes are an integral part of this financial statement.

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Reporting Entity**

Championship Academy of Distinction at Davie, 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 four members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter agreement 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 contract provides 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.

These financial statements are for the year ended June 30, 2023, when approximately 400 students were enrolled in grades Kindergarten through 8<sup>th</sup> grade.

**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.

*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, liabilities, equity, revenues and expenditures. 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.

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Government-wide and Fund Financial Statements (Continued)**

The School utilizes the following 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.

**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.

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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:

Improvements other than building	5 Years
Furniture, fixtures and equipment	3-5 Years

**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 ten days of active work during the ten-month period (a “benefit year”). Teachers are eligible for up to ten 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 ten eligible days by the end of the benefit year.

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 compensated days available to be used in future benefit years.

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 Fund Net Position**

Government-wide fund net position are 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. The net investment in capital assets for the year ending June 30, 2023, was \$555,589.
- Restricted net assets – consists of net assets 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. There were no restricted net assets at June 30, 2023.
- Unrestricted – all other net position is reported in this category.

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**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). At June 30, 2023, the School’s non-spendable fund balance was \$0.
- 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. At June 30, 2023, there is no restricted fund balance.
- 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. At June 30, 2023, there is no committed fund balance.
- 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. At June 30, 2023, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

**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.

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Revenue Sources (Continued)**

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 Davie, 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 made 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.

**Subsequent Events**

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2023, which is the date the financial statements were available to be issued.

**New Accounting Standards Adopted**

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

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, 2023, the School's bank balances did not exceed the FDIC limit.

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 4 - CAPITAL AND RIGHT OF USE ASSETS**

Capital and right of use assets activity for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
Capital Assets				
Improvements other than building	\$ -	\$ 15,000	\$ -	\$ 15,000
Furniture, fixtures, and equipment	195,894	7,091	-	202,985
Total Capital Assets	<u>\$ 195,894</u>	<u>\$ 22,091</u>	<u>\$ -</u>	<u>\$ 217,985</u>
Less Accumulated Depreciation				
Improvements other than building	\$ -	\$ (250)	\$ -	\$ (250)
Furniture, fixtures, and equipment	(169,453)	(13,123)	-	(182,576)
Total Accumulated Depreciation	<u>\$ (169,453)</u>	<u>\$ (13,373)</u>	<u>\$ -</u>	<u>\$ (182,826)</u>
Capital Assets, net	<u>\$ 26,441</u>	<u>\$ 8,718</u>	<u>\$ -</u>	<u>\$ 35,159</u>

For the year ended June 30, 2023, depreciation expense totaled \$13,373, which was allocated to instruction in the statement of activities.

	Balance July 1, 2022	Additions	Disposals	Balance June 30, 2023
Right-of-use asset, facilities	\$ 8,834,792	\$ -	\$ -	\$ 8,834,792
Total Right-Of-Use Assets	<u>\$ 8,834,792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,834,792</u>
Less Accumulated Amortization				
Right-of-use asset, facilities	\$ (517,159)	\$ (517,159)	\$ -	\$ (1,034,318)
Total Accumulated Amortization	<u>\$ (517,159)</u>	<u>\$ (517,159)</u>	<u>\$ -</u>	<u>\$ (1,034,318)</u>
Right-of-use asset, net	<u>\$ 8,317,633</u>	<u>\$ (517,159)</u>	<u>\$ -</u>	<u>\$ 7,800,474</u>

Amortization expense for the year ended June 30, 2023 totaled \$517,159, which was allocated to operation of plant.

**NOTE 5 – EMPLOYEE RETENTION TAX CREDIT**

During the year ended June 30, 2023, the Academy applied for the Employee Retention Tax Credit (ERTC). The ERTC was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, in March 2020 to help businesses retain employees. Eligible businesses could receive a quarterly refundable payroll tax credit. The Academy applied for and was approved for a credit of \$999,007. As a result, the Academy has recorded income of \$999,007 on the statement of activities and statement of changes in fund balance. The amount is also included in accounts receivables as of June 30, 2023 and was received in full subsequent to year-end. Accordingly, the School is subject to audit examination by the internal revenue services. In the event that any amounts would be disallowed, repayment may be required.

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 6 – RELATED PARTY TRANSACTIONS**

The School transacts with other charter schools, Championship Academy of Distinction at Hollywood Middle, Inc. (“CADM”) and Championship Academy of Distinction at Hollywood, Inc. CADH”), 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. The School expects to receive full payment within one year from the financial statement date and no allowance for bad debt has been established.

Amounts due from related parties as of June 30, 2023 are as follows:

Due from CADH	\$ 390,606
Due to CADM	<u>(183,037)</u>
Due from related parties	<u>\$ 207,569</u>

In April 2021, the School entered into a management consulting agreement with a company that is owned by the former President of the School’s Board of Directors. See Note 9.

The School has a settlement payable to Championship Academy of Distinction K-8, Inc., a charter school that is managed by the School’s former management company. See Note 7.

**NOTE 7 – SETTLEMENTS PAYABLE**

On June 30, 2021, the School entered into a settlement agreement in the amount of \$269,314 with Tripp Scott P.A. for payments owed related to legal services performed for the School during the year. Under the terms of the agreement, the School is to pay \$5,000 at execution of the agreement, followed by twelve monthly payments of \$5,000 beginning July 1, 2022 through July 1, 2022, and twenty monthly payments of \$10,000 beginning August 1, 2022 through March 1, 2024, with a final payment of \$4,314 due on April 1, 2024. Once the School makes its December 2023 payment, and has made all prior payments and/or prepays those amounts, it shall receive a credit against the January – March 2024 monthly payments of \$10,000 each month and against the April 2024 payment of \$4,314 and the settlement will be considered paid in full. The settlement amount owed by the School totaled \$108,064 at June 30, 2023.

In July 2022, the School, along with the related entities CADM and CADD, entered into a settlement agreement with Championship Academy of Distinction K-8, Inc. (“K-8”) for amounts owed totaling \$250,000. The total settlement payable of \$250,000 was allocated equally among each school. The amounts owed are related to transactions that occurred between K-8 and the School in prior years while they were under common management. The School terminated its agreement with said management on September 19, 2021 as described in Note 6. Under the terms of the agreement, a payment of \$40,000 is due in July 2022, followed by monthly payments of \$10,000 through May 2023. Each school will pay an equal portion of amounts owed. The portion of the total settlement that is owed by the School at June 30, 2023 was \$63,333.



**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 7 – SETTLEMENTS PAYABLE (Continued)**

The following are changes in settlements payable during the year ended June 30, 2023:

	<u>Balance</u> <u>7/1/2022</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance at</u> <u>6/30/2023</u>
Settlement payable- Tripp Scott	\$ 223,064	\$ -	\$ (115,000)	\$ 108,064
Settlement payable- CAD Schools	63,333	-	-	63,333
Total notes payable	<u>\$ 286,397</u>	<u>\$ -</u>	<u>\$ (115,000)</u>	<u>\$ 171,397</u>

The following is a schedule of the future minimum payments under the settlement agreements.

<u>Year Ended June 30</u>	
2024	\$ 171,397
Total	<u>\$ 171,397</u>

**NOTE 8 – CONSULTING AGREEMENT**

In April 2022, the School entered into a consulting agreement with Solutions Academy, LLC for the period commencing April 5, 2022 through June 30, 2027 to assist in the management of the School’s operations, marketing, educational programs and facility improvement plans. The former President of the School’s Board of Directors is the owner of Solutions Academy, LLC. Under the terms of the agreement, the School pays seven percent (7%) of FEFP revenues in monthly installments. During the year ended June 30, 2023, the School incurred fees of \$204,824 related to the agreement. The School owed Solutions Academy, LLC \$112,422 as of June 30, 2023.

**NOTE 9 – PROFESSIONAL SERVICES CONTRACT**

In March 2022, the School entered into an agreement with Building Hope Services to provide accounting and finance 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, 2023, the School incurred fees related to this agreement totaling \$15,232. At June 30, 2023 the School owed \$33,971 to Building Hope Services.

**NOTE 10 – LEASE COMMITMENTS**

The School entered into a 25-year lease agreement for its educational facility in November 2013. During the year ended June 30, 2023 monthly rent expense was \$64,446 per month. Subsequently, the annual base rent will be adjusted based on the Consumer Price Index. The agreement also requires the School to pay insurance, utilities, and other costs.

On July 1, 2021, 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 current student count and allocation. 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 to use this asset and the lease liability as of July 1, 2021. The interest expense was \$439,983 and the amortization of the right-to-use asset was \$517,159 for the year ended June 30, 2023.

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT DAVIE, INC.**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 10 – LEASE COMMITMENTS (Continued)**

Changes in long-term right of use liability during the year are as follows:

	Balance July 1, 2022	Additions	Reductions	Balance at June 30, 2023
Right-of-use liability, facilities	\$ 8,716,249	\$ -	\$ (325,027)	\$ 8,391,222
Total Right-of-use asset, net	<u>\$ 8,716,249</u>	<u>\$ -</u>	<u>\$ (325,027)</u>	<u>\$ 8,391,222</u>

The following is an estimated schedule of future minimum payments:

Fiscal Year Ended,	Interest	Principal	Total	
2024	\$ 411,340	\$ 362,012	\$ 773,352	
2025	392,818	380,534	773,352	
2026	372,875	422,995	795,870	
2027	351,138	446,780	797,918	
2028	328,279	469,638	797,917	
2029-2033	1,255,435	2,734,150	3,989,585	(Total for 5 Year Period)
2034-2038	480,690	3,508,895	3,989,585	(Total for 5 Year Period)
2039	276	66,218	66,494	
	<u>\$ 3,592,851</u>	<u>\$ 8,391,222</u>	<u>\$ 11,984,073</u>	

**NOTE 11 – GRANTS**

In the normal course of operations, the School receives grant funds from various federal, state and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the School, there are no significant liabilities relating to grant compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**NOTE 12 – 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 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.

**NOTE 13– LEGAL MATTERS**

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.

REQUIRED SUPPLEMENTAL INFORMATION

**CHAMPIONSHIP ACADEMY OF DISTINCTION OF DAVIE, INC.**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local school district	\$ 2,896,680	\$ 2,896,680	\$ 3,073,995
Local and other revenue	102,000	102,000	1,122,531
<b>TOTAL REVENUES</b>	<b>\$ 2,998,680</b>	<b>\$ 2,998,680</b>	<b>\$ 4,196,526</b>
<b>EXPENDITURES</b>			
Instruction	\$ 1,325,042	\$ 1,325,042	\$ 1,182,139
Instructional support services	39,866	39,866	16,157
Instructional related technology	48,948	48,948	28,766
Food services	27,973	27,973	122,300
General administration	-	-	204,824
School administration	472,908	472,908	659,687
School Board	23,000	23,000	28,833
Operation of plant	797,870	797,870	619,714
Fiscal services	39,700	39,700	20,534
Transportation	30,000	30,000	66,798
Community services	-	-	34,122
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,805,307</b>	<b>\$ 2,805,307</b>	<b>\$ 2,983,874</b>
Excess (deficiency) of revenues over expenditures	\$ 193,373	\$ 193,373	\$ 1,212,652
Transfer of funds	-	-	-
<b>Net change in fund balance</b>	<b>\$ 193,373</b>	<b>\$ 193,373</b>	<b>\$ 1,212,652</b>

See accompanying note to the required supplemental information.

**CHAMPIONSHIP ACADEMY OF DISTINCTION OF DAVIE, INC.**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL – SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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	Special Revenue Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Federal passed through state	<u>\$ 389,128</u>	<u>\$ 389,128</u>	<u>\$ 367,379</u>
TOTAL REVENUES	<u>389,128</u>	<u>389,128</u>	<u>367,379</u>
EXPENDITURES			
Instruction	389,128	389,128	238,276
Food services	-	-	67,661
Operation of plant	-	-	61,442
TOTAL EXPENDITURES	<u>389,128</u>	<u>389,128</u>	<u>367,379</u>
Transfers (out) in	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to the required supplemental information.

**CHAMPIONSHIP ACADEMY OF DISTINCTION OF DAVIE, INC.**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2023, 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 and special revenue funds 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).



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 Davie, 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 Davie, Inc. (the "School") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 30, 2023.

### 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

## 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 30, 2023





## MANAGEMENT LETTER

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

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

### Report on the Financial Statements

We have audited the financial statements of Championship Academy of Distinction at Davie, 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, 2023, and have issued our report thereon dated September 30, 2023.

### Auditor’s Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated September 30, 2023, 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 is Championship of Academy of Distinction at Davie, Inc.; #365422.

**Financial Condition and Management**

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financials condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2023 is not deteriorating.

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

**Transparency**

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

**Additional Matters**

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

**Purpose of this Letter**

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 30, 2023