

**College Preparatory Academy at Wellen Park**  
A Department of Florida Charter Educational Foundation, Inc.  
(A Component Unit of the School  
Board of Sarasota County, Florida)

**Basic Financial Statements**  
**For the Year Ended June 30, 2024**

## College Preparatory Academy at Wellen Park

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
College Preparatory Academy at Wellen Park  
A Department of Florida Charter Educational Foundation, Inc.  
Venice, Florida

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of College Preparatory Academy at Wellen Park (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School Board of Sarasota County, Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Grants Fund 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter

As discussed in Note 1, the financial statements of the School are intended to present the financial position and changes in financial position of only that portion of the governmental activities and each major fund of Florida Charter Educational Foundation, Inc. that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Florida Charter Educational Foundation, Inc. as of June 30, 2024 or the changes in its financial position in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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



### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 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 October 9, 2024 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Fort Lauderdale, Florida  
October 9, 2024

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**College Preparatory Academy at Wellen Park  
Management's Discussion and Analysis  
June 30, 2024**

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As management of College Preparatory Academy at Wellen Park (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School Board of Sarasota County, Florida (the "School Board"), we offer readers of the School's basic financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2024. Since this is the first year of operations, prior year comparative information is not available. Comparative data will be provided in future years.

The School was established in July 2023 as a public charter school to serve students from kindergarten to eighth grade in Sarasota County. In its first year of operations, the School served students in kindergarten through sixth grade. Next year the School will add seventh grade with eighth grade coming in 2025/2026.

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

### **Financial Highlights**

Our basic financial statements provide these insights into the results of this year's operations.

- As of June 30, 2024, the School's fund balances were \$ 224,316.
- As of June 30, 2024, the School had overall net position (deficit) of \$ (607,342).

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

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

**Government-Wide Basic 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, liabilities, and deferred inflows/outflows of resources, with the difference between the components reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

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

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

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

**Fund Basic Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide basic financial statements, governmental fund basic financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains several individual governmental funds. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The General Fund, Grants Fund, Capital Project Fund and Club and Activities Fund are considered to be the School's major funds.

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

The governmental fund financial statements can be found on pages 11 through 16 of this report.

**Notes to Basic Financial Statements:** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 17 through 26 of this report.

### **Government-Wide Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of financial position. In the case of the School, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$ (607,342) at the close of the most recent fiscal year.

**College Preparatory Academy at Wellen Park  
Management's Discussion and Analysis  
June 30, 2024**

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Our analysis in the table below focuses on the net position (deficit) of the School's governmental activities:

College Preparatory Academy at Wellen Park Net Position (Deficit)		June 30, 2024
Assets:		
Current and other assets	\$	415,141
Capital assets, net		20,990,044
Total assets		21,405,185
Liabilities:		
Current liabilities		803,736
Noncurrent liabilities		21,208,791
Total liabilities		22,012,527
Net Position (Deficit):		
Net investment in capital assets		(482,327)
Restricted		15,618
Unrestricted		(140,633)
Total net position (deficit)	\$	(607,342)

The School ended the year with total assets of \$ 21,405,185 which consists of restricted investments and capital assets, net of depreciation. Approximately \$ 19,916,033 of the capital assets includes a facility with a lease arrangement. Total liabilities as of June 30, 2024, are \$22,012,527, which consist mainly of debt associated with the leases.

**Governmental Activities:** The School's overall net position (deficit) is \$ (607,342) for its first year of operations. The reasons for this overall deficit are discussed in the following section for governmental activities.

College Preparatory Academy at Wellen Park Change in Net Position (Deficit)		June 30, 2024
Revenues:		
Program revenues		
Charges for services	\$	78,790
Operating grants and contributions		120,180
Capital grants and contributions		275,141
General revenues:		
FTE and other nonspecific revenues		2,719,309
Contributions		2,485,957
Interest income		7,010
Miscellaneous		8,152
Total revenues	\$	5,694,539

**College Preparatory Academy at Wellen Park  
Management's Discussion and Analysis  
June 30, 2024**

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**Governmental Activities (continued):**

College Preparatory Academy at Wellen Park  
Change in Net Position (Deficit) (continued)

	June 30, 2024
Functions/Programs:	
Instruction	\$ 1,589,574
Student support services	263,178
Instruction and curriculum development services	5,874
Instructional staff training services	1,306
Instruction related technology	85,841
Board	14,806
School administration	483,511
Fiscal services	123,645
Food services	83,808
Central services	136,470
Operation of plant	1,396,440
Maintenance of plant	140,207
Community services	33,124
Extracurricular activities	34,486
Interest on long-term debt	<u>1,909,611</u>
Total expenses	<u>6,301,881</u>
Change in net position	(607,342)
Net position-beginning	<u>-</u>
Net position (deficit)-ending	<u>\$ (607,342)</u>

Total revenues of \$ 5,694,539 consist mainly of per pupil funding which is found in the general revenues line. The School also received \$ 2,485,957 in contributions from the management company and \$ 275,141 in capital outlay funding. Expenses totaled \$ 6,301,881 for the year.

**Financial Analysis of Governmental Funds**

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 12,244, while total fund balance increased to \$ 208,698. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 0.05% of total General Fund expenditures, while total fund balance represents 0.78% of that same amount.

The fund balance of the School's General Fund increased by \$ 208,698 during the current fiscal year. The increase was due to contributions from the management company.

The Grants Fund does not have an increase or decrease in fund balance during the fiscal year as this fund reports federal and certain state expense reimbursement grants.

The Capital Project Fund does not have an increase or decrease in fund balance during the current fiscal year as this fund reports state and local capital outlay funding that is used to cover a portion of interest expense.

The Club and Activities Fund had an increase in fund balance during the current fiscal year due to extracurricular revenues exceeding expenditures.

### **Capital Assets and Debt Administration**

**Capital Assets:** At June 30, 2024, the School had capital assets of \$ 20,990,044, net of accumulated depreciation and amortization, invested in lease assets, computer equipment, furniture, fixtures and equipment and improvements other than buildings. Major capital assets additions for the year included \$ 20,602,793 for a building lease asset and \$ 1,159,033 for equipment. Additional information on the School's capital assets can be found in Note 6 of this report.

**Debt:** At June 30, 2024, the School had outstanding debt of \$ 21,472,371. The debt represents a lease for the premises and leases for school furniture and equipment and computer equipment. Additional information on the School's debt can be found in Notes 7 and 8 of this report.

### **General Fund Budgetary Highlights**

State source revenues remained consistent with the budgetary projections. Local source revenues increased due to referendum funding. Expenditures were unfavorable to the budget primarily due to capital outlay and debt service expenses.

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

In fiscal year 2024, the State of Florida continued to include a teacher salary increase allocation (TSIA) of \$ 1.1 billion. The capital outlay funding pool ended up at \$ 213 million. In addition to the TSIA, teachers also received a compensation increase to align overall salaries with district levels.

For fiscal year 2025, the funding for teacher salaries and other instructional personnel will be \$ 1.25 billion. Additionally, the State of Florida approved an increase to the base funding allocation and capital outlay. A 3% merit increase for all staff was included in the budget. All other expenditures are budgeted in alignment with enrollment changes and the School's strategic objectives.

### **Requests for Information**

If you have questions about this report or need additional information, please contact Michael Valdes, Controller - School Accounting; Charter Schools USA, 800 Corporate Drive, Suite 700, Fort Lauderdale, Florida 33334.

**BASIC  
FINANCIAL STATEMENTS**

**College Preparatory Academy at Wellen Park**  
**Statement of Net Position (Deficit)**  
**June 30, 2024**

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	<b>Governmental Activities</b>
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 139,836
Due from management company	78,851
Prepaid items	148,995
Deposits	47,459
	<hr/>
Total current assets	415,141
<b>Noncurrent Assets:</b>	
Capital assets (depreciable and amortizable), net of accumulated depreciation and amortization	20,990,044
	<hr/>
Total assets	21,405,185
	<hr/>
<b>Current Liabilities:</b>	
Accounts payable and accrued liabilities	42,714
Salaries and wages payable	138,041
Due to related parties	10,070
Accrued interest payable	334,614
Compensated absences	11,038
Lease payables	267,259
	<hr/>
Total current liabilities	803,736
	<hr/>
<b>Noncurrent Liabilities:</b>	
Compensated absences	3,679
Lease payables	21,205,112
	<hr/>
Total noncurrent liabilities	21,208,791
	<hr/>
Total liabilities	22,012,527
	<hr/>
<b>Net Position (Deficit):</b>	
Net investment in capital assets	(482,327)
Restricted for extracurricular activities	15,618
Unrestricted	(140,633)
	<hr/>
Total net position (deficit)	\$ (607,342)
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The accompanying notes to basic financial statements are an integral part of these statements.

**College Preparatory Academy at Wellen Park**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net Revenue (Expense) and Change in Net Position</u>
<b>Functions/Programs:</b>					
Instruction	\$ 1,589,574	\$ -	\$ 10,877	\$ -	\$ (1,578,697)
Student support services	263,178	-	-	-	(263,178)
Instruction and curriculum development services	5,874	-	-	-	(5,874)
Instructional staff training services	1,306	-	1,000	-	(306)
Instruction related technology	85,841	-	-	-	(85,841)
Board	14,806	-	-	-	(14,806)
School administration	483,511	-	-	-	(483,511)
Fiscal services	123,645	-	-	-	(123,645)
Food services	83,808	26,533	58,497	-	1,222
Central services	136,470	-	-	-	(136,470)
Operation of plant	1,396,440	-	118	-	(1,396,322)
Maintenance of plant	140,207	-	-	-	(140,207)
Community services	33,124	52,257	-	-	19,133
Extracurricular activities	34,486	-	49,688	-	15,202
Interest on long-term debt	1,909,611	-	-	275,141	(1,634,470)
	<u>1,909,611</u>	<u>-</u>	<u>-</u>	<u>275,141</u>	<u>(1,634,470)</u>
Total governmental activities	\$ <u>6,301,881</u>	\$ <u>78,790</u>	\$ <u>120,180</u>	\$ <u>275,141</u>	<u>(5,827,770)</u>
General revenues:					
FTE and other nonspecific revenues					2,719,309
Contributions					2,485,957
Miscellaneous income					8,152
Interest income					7,010
					<u>5,220,428</u>
Total general revenues					<u>5,220,428</u>
Change in net position					(607,342)
Net position, July 1, 2023					<u>-</u>
Net position (deficit), June 30, 2024					\$ <u>(607,342)</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**College Preparatory Academy at Wellen Park**  
**Balance Sheet - Governmental Funds**  
**June 30, 2024**

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Capital Project Fund</u>	<u>Club and Activities Fund</u>	<u>Total</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 124,337	\$ -	\$ -	\$ 15,499	\$ 139,836
Due from management company	78,851	-	-	-	78,851
Due from other funds	-	-	-	119	119
Prepaid items	148,995	-	-	-	148,995
Deposits	<u>47,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,459</u>
Total assets	<u>\$ 399,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,618</u>	<u>\$ 415,260</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 42,714	\$ -	\$ -	\$ -	\$ 42,714
Salaries and wages payable	138,041	-	-	-	138,041
Due to other funds	119	-	-	-	119
Due to related parties	<u>10,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,070</u>
Total liabilities	<u>190,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,944</u>
<b>Fund Balances:</b>					
Nonspendable:					
Prepaid items	148,995	-	-	-	148,995
Deposits	47,459	-	-	-	47,459
Restricted for extracurricular activities	-	-	-	15,618	15,618
Unassigned	<u>12,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,244</u>
Total fund balances	<u>208,698</u>	<u>-</u>	<u>-</u>	<u>15,618</u>	<u>224,316</u>
Total liabilities and fund balances	<u>\$ 399,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,618</u>	<u>\$ 415,260</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**College Preparatory Academy at Wellen Park  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position (Deficit)  
June 30, 2024**

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**Total Fund Balances - Governmental Funds** \$ 224,316

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

The cost of capital assets acquired is reported as an expenditure in the governmental fund statements. The statement of net position (deficit) includes those capital assets, net of accumulated depreciation and amortization, among the assets of the School as a whole.

Cost of capital assets	\$	21,761,826	
Accumulated depreciation and amortization		<u>(771,782)</u>	20,990,044

Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.

Accrued interest payable	\$	(334,614)	
Compensated absences		(14,717)	
Lease payables		<u>(21,472,371)</u>	<u>(21,821,702)</u>

**Net Position (Deficit) of Governmental Activities** \$ (607,342)

The accompanying notes to basic financial statements are an integral part of these statements.

**College Preparatory Academy at Wellen Park  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Capital Project Fund</u>	<u>Club and Activities Fund</u>	<u>Total</u>
<b>Revenues:</b>					
Federal sources	\$ -	\$ 69,506	\$ -	\$ -	\$ 69,506
State sources	2,199,315	868	147,815	-	2,347,998
Local sources	3,040,754	-	127,326	49,688	3,217,768
Aftercare	52,257	-	-	-	52,257
Interest income	6,594	-	-	416	7,010
	<u>5,298,920</u>	<u>70,374</u>	<u>275,141</u>	<u>50,104</u>	<u>5,694,539</u>
<b>Total revenues</b>					
<b>Expenditures:</b>					
Current:					
Instruction	1,478,958	10,877	-	-	1,489,835
Student support services	263,178	-	-	-	263,178
Instruction curriculum and development services	5,874	-	-	-	5,874
Instructional staff training services	306	1,000	-	-	1,306
Instruction related technology	85,841	-	-	-	85,841
Board	14,806	-	-	-	14,806
School administration	483,511	-	-	-	483,511
Fiscal services	123,645	-	-	-	123,645
Food services	25,311	58,497	-	-	83,808
Central services	136,470	-	-	-	136,470
Operation of plant	709,680	-	-	-	709,680
Maintenance of plant	140,207	-	-	-	140,207
Community services	33,124	-	-	-	33,124
Extracurricular activities	-	-	-	34,486	34,486
Capital outlay	21,761,826	-	-	-	21,761,826
Debt service:					
Principal	235,438	-	-	-	235,438
Interest	1,299,856	-	275,141	-	1,574,997
	<u>26,798,031</u>	<u>70,374</u>	<u>275,141</u>	<u>34,486</u>	<u>27,178,032</u>
<b>Total expenditures</b>					
Excess (deficiency) of revenues over (under) expenditures	(21,499,111)	-	-	15,618	(21,483,493)
<b>Other Financing Sources:</b>					
Leases issued	21,707,809	-	-	-	21,707,809
	<u>21,707,809</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,707,809</u>
Net change in fund balances	208,698	-	-	15,618	224,316
<b>Fund Balances, July 1, 2023</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances, June 30, 2024</b>	<u>\$ 208,698</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,618</u>	<u>\$ 224,316</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**College Preparatory Academy at Wellen Park  
Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances  
of the Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2024**

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**Net Change in Fund Balances - Governmental Fund** \$ 224,316

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 costs of those assets is depreciated and amortized over their estimated useful lives as provision for depreciation.

Cost of capital assets	\$ 21,761,826	
Provision for depreciation and amortization	<u>(771,782)</u>	20,990,044

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net position (deficit). Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long term liabilities in the statement of net position (deficit).

Issuance of leases	\$ (21,707,809)	
Principal payment on debt	<u>235,438</u>	(21,472,371)

Certain items reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.

Change in accrued interest payable	\$ (334,614)	
Change in compensated absences	<u>(14,717)</u>	<u>(349,331)</u>

**Change in Net Position of Governmental Activities** \$ (607,342)

The accompanying notes to basic financial statements are an integral part of these statements.

**College Preparatory Academy at Wellen Park  
Statement of Revenues and Expenditures -  
Budget and Actual - General Fund  
For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
State sources	\$ 5,489,785	\$ 2,210,443	\$ 2,199,315	\$ (11,128)
Local sources	2,250,103	3,997,164	3,040,754	(956,410)
Aftercare	105,393	43,185	52,257	9,072
Interest income	-	-	6,594	6,594
	<u>7,845,281</u>	<u>6,250,792</u>	<u>5,298,920</u>	<u>(951,872)</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
Current:				
Instruction	2,642,416	1,577,731	1,478,958	98,773
Student support services	356,414	207,678	263,178	(55,500)
Instruction media services	-	6,350	-	6,350
Instructional and curriculum development services	-	-	5,874	(5,874)
Instructional staff training services	17,150	7,412	306	7,106
Instruction related technology	142,682	80,443	85,841	(5,398)
Board	-	839	14,806	(13,967)
School administration	403,305	495,616	483,511	12,105
Fiscal services	657,249	101,763	123,645	(21,882)
Food services	-	-	25,311	(25,311)
Central services	285,665	129,175	136,470	(7,295)
Transportation	151,560	-	-	-
Operation of plant	1,539,716	2,015,221	709,680	1,305,541
Maintenance of plant	128,428	149,678	140,207	9,471
Community services	58,989	23,578	33,124	(9,546)
Capital outlay	1,129,032	1,122,633	21,761,826	(20,639,193)
Debt service:				
Principal	263,501	263,501	235,438	28,063
Interest	69,174	69,174	1,299,856	(1,230,682)
	<u>7,845,281</u>	<u>6,250,792</u>	<u>26,798,031</u>	<u>(20,547,239)</u>
<b>Total expenditures</b>				
	-	-	(21,499,111)	(21,499,111)
Deficiency of revenues under expenditures				
<b>Other Financing Sources:</b>				
Leases issued	-	-	21,707,809	21,707,809
	<u>-</u>	<u>-</u>	<u>21,707,809</u>	<u>21,707,809</u>
<b>Net change in fund balance</b>				
	\$ <u>-</u>	\$ <u>-</u>	\$ <u>208,698</u>	\$ <u>208,698</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**College Preparatory Academy at Wellen Park  
Statement of Revenues and Expenditures -  
Budget and Actual - Grants Fund  
For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Federal sources:				
National School Lunch Program	\$ 311,294	\$ 118,338	\$ 57,629	\$ (60,709)
Title II	-	-	1,595	1,595
Title IV	-	-	9,824	9,824
IDEA			458	458
State sources:				
National School Lunch Program	-	-	868	868
 Total revenues	 <u>311,294</u>	 <u>118,338</u>	 <u>70,374</u>	 <u>(47,964)</u>
<b>Expenditures:</b>				
Current:				
Instruction	-	-	10,877	(10,877)
Instructional staff training services	-	-	1,000	(1,000)
Food services	280,191	114,888	58,497	56,391
Operation of plant	31,103	3,450	-	3,450
 Total expenditures	 <u>311,294</u>	 <u>118,338</u>	 <u>70,374</u>	 <u>47,964</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

The accompanying notes to basic financial statements are an integral part of these statements.

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

College Preparatory Academy at Wellen Park (the "School"), a Department of Florida Charter Educational Foundation, Inc. ("FCEF") and a component unit of the School Board of Sarasota County, Florida, was established in July 2023 as a public charter school to serve students from kindergarten to eighth grade in Sarasota County. In its first year of operations, the School served students in kindergarten through sixth grade. Next year the School will add seventh grade with eighth grade coming in 2025/2026. The School is sponsored by its charter-holder, FCEF, a Florida nonprofit corporation organized pursuant to Chapter 617, Florida Statutes. There were 251 students enrolled for the 2023/2024 school year. FCEF is a Florida nonprofit corporation organized pursuant to Chapter 617, Florida Statutes. The governing body of the School consists of the officers and directors of FCEF. FCEF operates Winthrop Charter School, Winthrop College Prep Academy, Woodmont Charter School, Henderson Hammock Charter School, Southshore Charter Academy, Waterset Charter School, and Creekside Charter Academy in Hillsborough County, Clay Charter Academy in Clay County, Keys Gate Charter School in Miami- Dade County, Union Park Charter Academy and Innovation Preparatory Academy in Pasco County.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of FCEF as of June 30, 2024, or its changes in financial position in accordance with accounting principles generally accepted in the United States of America. Accordingly, these basic financial statements only include balances, activity and disclosures related to the School.

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

**Reporting entity:** The School operates under a charter granted by the sponsoring school board, the School Board of Sarasota County. The current charter is effective until June 30, 2038, and may be renewed for up to an additional 15 years by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case, the School Board is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The School is considered a component unit of the School Board of Sarasota County.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the basic financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable, which would require inclusion in the School's basic financial statements.

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

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

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

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

**Fund financial statements:** Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School's major governmental funds are as follows:

**General Fund** - This fund is used to account for all operating activities of the School except for those required to be accounted for in another fund.

**Grants Fund** - This special revenue fund is used to account for federal grants and certain state grants that are legally restricted to expenditures for particular purposes.

**Capital Project Fund** - This fund is used to account for state and local capital outlay funding that is legally restricted to expenditures for particular purposes.

**Club and Activities Fund** - This special revenue fund is used to administer funds raised and earned by the various clubs and activities that are part of the School.

During the course of operations, the School has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the governmental fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

**Basis of accounting:** Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

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

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within one hundred twenty days of the end of the current period. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

**Cash and cash equivalents:** The School considers all demand accounts and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents. The School maintains its cash accounts with one financial institution. The School's accounts at this institution, at times, may exceed the federal insured limit, however, the School is covered by Chapter 280 of the Florida Statutes (Note 3).

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

**Revenue recognition:** Student funding is provided by the State of Florida through the School Board. Such funding is recorded as entitlement revenue in the government-wide financial statements and state source revenue in the fund financial statements. This funding is received on a prorated basis over a 12-month period and is adjusted for changes in full-time equivalent (FTE) student population.

**Income taxes:** The School is a Department of a nonprofit corporation. Revenue of the School is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these basic financial statements.

**Capital assets:** Property and equipment purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with a cost equal to or greater than \$ 750 and useful life of over one year. Donated property and equipment are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related fixed assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all capital assets is provided on the straight-line basis over the estimated useful lives as follows:

Furniture, fixtures and equipment	5 years
Computer equipment	3-5 years

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

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

**Deferred outflows/inflows of resources:** In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) 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 financial 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(s) 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.

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

**Compensated absences:** The School's policy permits employees to accumulate earned but unused paid time off, which is eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Payments for compensated absences are generally paid out of the General Fund.

**Net position:** Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of borrowings used for the acquisition, construction or improvement of those assets.
- Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - indicates that portion of net position that is available to fund future operations.

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

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

**Fund balance:** The governmental fund financial statements present fund balances based on the provisions of GAAP which provides clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental fund financial statements:

- **Nonspendable** - this classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies inventories, prepaid items, long-term notes receivable and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** - this classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.
- **Committed** - this classification includes amounts that can be used for specific purposes voted on through formal action of the Board of Directors (the highest level of decision making authority). The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.
- **Assigned** - this classification includes amounts that the Board of Directors intends to use for a specific purpose, but they are neither restricted nor committed. The School classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.
- **Unassigned** - this classification includes amounts that have not been restricted, committed or assigned for a specific purpose within the General Fund.

The details of the fund balances are included in the Governmental Fund Balance Sheet on page 11.

When the School incurs expenditures for which restricted fund balance is available, the School would consider restricted funds to be spent first. When the School has expenditures for which committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

**Budget:** An operating budget is adopted and maintained by the governing board for all governmental funds, except the Club and Activities Fund, pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the financial statements. The General Fund expenditures exceeded the budget by \$ 20,547,231 which was covered by the issuance of the leases.

**Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Date of management review:** Subsequent events were evaluated by management through October 9, 2024, which is the date the financial statements were available to be issued.

**Note 3 - Cash and Cash Equivalents**

At June 30, 2024, the carrying amount of the deposits and cash on hand totaled \$ 139,836 with a bank balance of \$ 165,202.

State statutes require, and it is the School’s policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as “qualified public depositories” as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity’s funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School’s did not have deposits in excess of the federal insured level of \$ 250,000 at June 30, 2024.

**Note 4 - Interfund Receivables and Payables and Interfund Transfers**

The composition of interfund balances as of June 30, 2024, is as follows:

Due To/From Other Funds		
Receivable Fund	Payable Fund	Amount
Club and Activities Fund	General Fund	\$ <u>119</u>

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

There were no transfers for the year ended June 30, 2024.

**Note 5 - Due To Related Parties**

The School is a Department of FCEF. The due to balances represent amounts that are due to FCEF and other schools that share common board membership and are departments of FCEF and are expected to be repaid within one year.

**College Preparatory Academy at Wellen Park**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

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**Note 6 - Capital Assets**

Capital asset balances and activity for the year ended June 30, 2024, are as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets being depreciated/ amortized:				
Computer equipment	\$ -	\$ 21,899	\$ -	\$ 21,899
Furniture, fixtures and equipment	-	32,118	-	32,118
Lease assets:				
Building	-	20,602,793	-	20,602,793
Furniture, fixtures and equipment	-	566,566	-	566,566
Computer equipment	-	538,450	-	538,450
	<u>-</u>	<u>21,761,826</u>	<u>-</u>	<u>21,761,826</u>
Total capital assets being depreciated/amortized	<u>-</u>	<u>21,761,826</u>	<u>-</u>	<u>21,761,826</u>
Accumulated depreciation/ amortization:				
Computer equipment	-	4,461	-	4,461
Furniture, fixtures and equipment	-	6,424	-	6,424
Lease assets:				
Building	-	686,760	-	686,760
Furniture, fixtures and equipment	-	47,214	-	47,214
Computer equipment	-	26,923	-	26,923
	<u>-</u>	<u>771,782</u>	<u>-</u>	<u>771,782</u>
Total accumulated depreciation/ amortization	<u>-</u>	<u>771,782</u>	<u>-</u>	<u>771,782</u>
Net capital assets being depreciated/amortized	<u>\$ -</u>	<u>\$ 20,990,044</u>	<u>\$ -</u>	<u>\$ 20,990,044</u>

Provision for depreciation and amortization was charged to governmental activities as follows:

Instruction	\$ 85,022
Operation of plant	<u>686,760</u>
	<u>\$ 771,782</u>

**College Preparatory Academy at Wellen Park**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

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**Note 7 – Lease Payables**

During the year, the School entered into a noncancelable lease with Red Apple Development, LLC (“RAD”), for use of its premises through July 2053. The lease agreement qualifies as other than short-term leases under GAAP and, therefore, has been recorded at the present value of the future minimum lease payments which includes a 2% increase in the base rent each year. The discount rate used to recognize the lease asset and the lease liability was 9.25%. In addition to rent, FCEF shall pay to RAD the total cost of ad valorem taxes, assessments and levies imposed upon the premises which totaled \$ 55,212 for the year ended June 30, 2024.

Future minimum lease payments required under this long-term noncancelable lease at June 30, 2024, as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 1,918,360	\$ 1,918,360
2026	-	1,935,390	1,935,390
2027	-	1,950,701	1,950,701
2028	-	1,964,060	1,964,060
2029	-	1,975,209	1,975,209
2030-2034	-	9,944,454	9,944,454
2035-2039	285,813	9,690,057	9,975,870
2040-2044	3,436,817	8,654,579	12,091,396
2045-2049	7,034,774	6,315,110	13,349,884
2050-2053	9,704,345	1,969,245	11,673,590
	<u>\$ 20,461,749</u>	<u>\$ 46,317,165</u>	<u>\$ 66,778,914</u>

The School also entered into two leases for school furniture and equipment and computer equipment. The leases require monthly payments of \$ 31,585 through March 2027 and then \$ 13,420 through April 2028. The computer equipment lease carries an interest rate of 10.14% while the furniture and equipment lease carries an interest rate of 9.50%.

The Following is a schedule of the future minimum lease payments as of 2024:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 267,259	\$ 80,176	\$ 347,435
2026	320,408	58,613	379,021
2027	303,512	25,858	329,370
2028	119,443	4,915	124,358
	<u>\$ 1,010,622</u>	<u>\$ 169,562</u>	<u>\$ 1,180,184</u>

**College Preparatory Academy at Wellen Park**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

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**Note 8 - Long-Term Liabilities**

Changes in the School’s long-term liabilities for fiscal year ended June 30, 2024, are as follows:

	Balance at July 1, 2023	Additions	Retirements	Balance at June 30, 2024	Amount Due Within One Year
Lease - building	\$ -	\$ 20,602,793	\$ 141,044	\$ 20,461,749	\$ -
Lease - furniture, fixtures, and equipment	-	538,450	38,947	499,503	108,356
Lease - computer equipment	-	566,566	55,447	511,119	158,903
Compensated absences	-	54,272	39,555	14,717	11,038
	<u>\$ -</u>	<u>\$ 21,762,081</u>	<u>\$ 274,993</u>	<u>\$ 21,487,088</u>	<u>\$ 278,297</u>

**Note 9 - Commitments**

**Management agreement:** The School has a formal agreement with Charter Schools USA at Wellen Park, LLC (“CSUSA”) to manage, staff, and operate the School. CSUSA is entitled to retain as cost reimbursements and management fees (the “fee”) for its services, 15% of revenues, which shall be set forth within the approved annual budget or a lesser percentage if agreed to by CSUSA. The term of the agreement coincides with the charter and can be extended if the charter is extended. For the year ended June 30, 2024, CSUSA did not receive a fee and CSUSA contributed \$ 2,485,957 to the School.

The basic financial statements reflect a due from CSUSA for expenses paid on behalf of the School which totaled \$ 78,851 at June 30, 2024.

**Post-employment benefits:** The School does not provide post-employment benefits to retired employees.

**Note 10 - Employee Benefit Plan**

During the year ended June 30, 2024, the School offered all of its full-time employees who had attained 21 years of age, a retirement plan (the “Plan”) under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 100% of his/her annual gross compensation, subject to certain limitations. The Plan provides for a discretionary employer matching contribution of the participant’s annual elective deferral to the Plan. As determined annually by the School’s management, the School may also make a discretionary profit-sharing contribution, which is allocated among the participants based on a pro rata formula. Participants are immediately vested in their own contributions and earnings on those contributions. Participants become vested in School contributions and earnings on School contributions according to the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
1	25%
2	50%
3	75%
4	100%

**Note 10 - Employee Benefit Plan (continued)**

Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to reduce any employer contribution. For the Plan year ended December 31, 2023, the School had forfeitures of \$ 84. For the year ended June 30, 2024, the School contributed a matching amount of \$ 8,152.

**Note 11 - Capital Appropriations Funding**

The Florida Department of Education has approved a Charter School Capital Outlay (“CSCO”) Award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes, those funds are allocated among eligible charter schools. The funds for the School’s allocation are transferred to the School once a CSCO Plan has been provided to and approved by the sponsoring district. The School’s CSCO Award totaled \$ 147,815 for the 2023/2024 school year, which has been recognized as revenue in the accompanying basic financial statements. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the event of non-renewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The School has elected to use these funds to pay a portion of the lease expense on the facility.

Local Capital Improvement Revenue (“LCIR”) funds are also appropriated by the School Board for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the CSCO Award. The School’s LCIR Award totaled \$ 127,326 for the 2023/2024 school year which has been recognized as revenue in the accompanying financial statements.

**Note 12 - Risk Management**

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

As disclosed in Note 9, CSUSA employs all of the employees of the School. As a result, the School is not exposed to medical or workers’ compensation claims for these individuals. In addition, CSUSA carries all required insurance including, but not limited to, general liability and errors and omissions insurance.

OTHER INDEPENDENT  
AUDITOR'S REPORTS



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

To the Board of Directors  
College Preparatory Academy at Wellen Park  
A Department of Florida Charter Educational Foundation, Inc.  
Venice, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of College Preparatory Academy at Wellen Park (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School Board of Sarasota County, Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated October 9, 2024.

**Report on Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that were not identified.

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## Report on Compliance and Other Matters

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

## Purpose of this Report

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

Fort Lauderdale, Florida  
October 9, 2024

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

To the Board of Directors  
College Preparatory Academy at Wellen Park  
A Department of Florida Charter Educational Foundation, Inc.  
Venice, Florida

### Report on the Financial Statements

We have audited the financial statements of College Preparatory Academy at Wellen Park (the “School”), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School Board of Sarasota County, Florida, as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated October 9, 2024.

### 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 on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated October 9, 2024, 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 recommendations made in the preceding 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 of the entity and the school code assigned by the Florida Department of Education are College Preparatory Academy at Wellen Park and 581501.



**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 any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

**Transparency**

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

**Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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 and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

*Citrin Cooperman & Company, LLP*

Fort Lauderdale, Florida  
October 9, 2024

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