

Collier Charter Academy

A Department of Southwest Charter
Foundation, Inc.
(A Component Unit of the School
District of Collier County, Florida)

Basic Financial Statements
For the Year Ended June 30, 2024

Collier Charter Academy

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Collier Charter Academy
Naples, 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 the Collier Charter Academy (the "School"), a Department of Southwest Charter Foundation, Inc. and a component unit of the School Board of Collier 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 comparison for the General Fund and the 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 Southwest Charter Foundation, Inc. that are attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Southwest Charter Foundation, Inc. as of June 30, 2024 in conformity 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.

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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 August 30, 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
August 30, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Collier Charter Academy (the "School"), a Department of Southwest Charter Foundation, Inc. and a component unit of the School District of Collier County, Florida, 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 and 2023.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the past and 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 \$ 2,679,473 as compared to \$ 2,607,016 at June 30, 2023.
- As of June 30, 2024, the School has net position (deficit) of \$ (2,703,600), as compared to \$ (2,726,703) as of June 30, 2023.

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 basic financial statements, 2) fund basic financial statements, and 3) notes to the basic financial statements.

Government-Wide Basic Financial Statements: The government-wide basic 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 basic 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 basic 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 for 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 27 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 \$ (2,703,600) at the close of the most recent fiscal year.

**Collier Charter Academy
Management's Discussion and Analysis
June 30, 2024**

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

Collier Charter Academy Net Position (Deficit)			
	June 30, 2024	June 30, 2023	Variance
Assets:			
Current and other assets	\$ 3,272,076	\$ 2,332,982	\$ 939,094
Noncurrent assets	<u>14,845,108</u>	<u>16,744,521</u>	<u>(1,899,413)</u>
Total assets	<u>18,117,184</u>	<u>19,077,503</u>	<u>(960,319)</u>
Liabilities:			
Current liabilities	1,077,422	1,690,550	(613,128)
Noncurrent liabilities	<u>19,743,362</u>	<u>20,113,656</u>	<u>(370,294)</u>
Total liabilities	<u>20,820,784</u>	<u>21,804,206</u>	<u>(983,422)</u>
Net Position (Deficit):			
Net investment in capital assets	(3,759,036)	(3,713,417)	(45,619)
Restricted	303,614	324,493	(20,879)
Unrestricted	<u>751,822</u>	<u>662,221</u>	<u>89,601</u>
Total net position (deficit)	<u>\$ (2,703,600)</u>	<u>\$ (2,726,703)</u>	<u>\$ 23,103</u>

Current and other assets decreased mainly due to the decrease in the School's cash position. Capital assets, net of depreciation decreased mainly due to the current year's depreciation expense of approximately \$ 560,400 offset by purchase of new assets of \$ 171,700. Current liabilities decreased due to the reduction in payables to the management company. Noncurrent liabilities decreased due to principal payments made on the School's bonds payable.

Governmental Activities: The School's overall net position increased \$ 23,103 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

Collier Charter Academy Change in Net Position (Deficit)			
	June 30, 2024	June 30, 2023	Variance
Revenues:			
Program revenues:			
Charges for services	\$ 465,400	\$ 238,987	\$ 226,413
Operating grants and contributions	1,253,390	1,313,330	(59,940)
Capital grants and contributions	634,097	337,238	296,859
General revenues:			
FTE and other nonspecific revenues	6,195,709	6,394,839	(199,130)
Interest income	139,316	81,742	57,574
Miscellaneous	<u>6,727</u>	<u>453</u>	<u>6,274</u>
Total revenues	<u>\$ 8,694,639</u>	<u>\$ 8,366,589</u>	<u>\$ 328,050</u>

**Collier Charter Academy
Management's Discussion and Analysis
June 30, 2024**

Governmental Activities (continued):

	June 30, 2024	June 30, 2023	Variance
Functions/Programs:			
Instruction	\$ 2,403,632	\$ 2,630,314	\$ (226,682)
Student support services	408,214	336,751	71,463
Instruction and curriculum development services	10,214	-	10,214
Instructional staff training	41,905	14,610	27,295
Instruction related technology	124,708	139,643	(14,935)
Board	64,284	28,007	36,277
School administration	801,135	675,953	125,182
Fiscal services	1,416,454	1,267,953	148,501
Food services	252,244	261,860	(9,616)
Central services	140,903	136,891	4,012
Transportation services	179,935	136,831	43,104
Operation of plant	1,128,256	1,089,004	39,252
Maintenance of plant	300,616	262,268	38,348
Community services	79,458	46,397	33,061
Extracurricular activities	85,628	100,420	(14,792)
Interest on long-term debt	1,233,950	1,251,073	(17,123)
Total expenses	8,671,536	8,377,975	293,561
Change in net position	23,103	(11,386)	34,489
Net position (deficit)-beginning	(2,726,703)	(2,715,317)	(11,386)
Net position (deficit)-ending	\$ (2,703,600)	\$ (2,726,703)	\$ 23,103

Program revenues increased due to increased referendum and capital outlay funding. General revenues decreased due to a 9% decrease in students enrolled compared to the previous year. Program revenues increased in charges for services and grants. Total expenses primarily increased due to increases in school administrative and fiscal services.

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 \$ 726,224, while total fund balance increased to \$ 2,630,869. 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 10% of total General Fund expenditures, while total fund balance represents 35% of that same amount.

The fund balance of the School's General Fund increased by \$ 93,346 during the current fiscal year. The increase was due to monies received from prior year grant expenditures.

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 doesn't have an increase or decrease in fund balance during the year since 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 a decrease in fund balance during the current fiscal year due to additional expenditures for extracurricular activities.

Capital Assets and Debt Administration

Capital assets: At June 30, 2024, the School had capital assets of \$ 14,845,108 net of accumulated depreciation and amortization, invested in buildings, lease assets land, computer equipment, furniture, fixtures and equipment. Major capital assets additions for the year included \$ 133,703 for computer equipment. Additional information on the School's capital assets can be found in Note 7 of this report.

Debt: At June 30, 2024, the School had outstanding debt of \$ 20,108,490 as compared to \$ 20,457,938 at June 30, 2023. The decrease is a result of scheduled debt payments in accordance with the Bond Indenture. Additional information on the School's debt can be found in Notes 8 through 10 of this report.

General Fund Budgetary Highlights

State source revenues had a decrease to the budget. Local source revenues increased relative to the budget due to charges for services. Expenditures were consistent with the budget.

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

Collier Charter Academy
Statement of Net Position (Deficit)
June 30, 2024

	Governmental Activities
Current Assets:	
Cash and cash equivalents	\$ 1,067,883
Other receivables	48,026
Due from other governments	243,795
Due from related party	1,371
Interest receivable	6,352
Restricted investments	348,421
Prepaid items	41,452
Deposits	10,430
	<hr/>
Total current assets	1,767,730
Noncurrent Assets:	
Restricted investments	1,504,346
Capital assets (depreciable and amortizable), net of accumulated depreciation and amortization	14,845,108
	<hr/>
Total noncurrent assets	16,349,454
	<hr/>
Total assets	18,117,184
Current Liabilities:	
Accounts payable and accrued liabilities	47,387
Salaries and wages payable	226,301
Due to management company	309,470
Due to related parties	9,445
Compensated absences	14,616
Accrued interest payable	100,203
Bonds payable	370,000
	<hr/>
Total current liabilities	1,077,422
Noncurrent Liabilities:	
Compensated absences	4,872
Bonds payable	18,171,852
Lease payable	1,566,638
	<hr/>
Total noncurrent liabilities	19,743,362
	<hr/>
Total liabilities	20,820,784
Net Position (Deficit):	
Net investment in capital assets	(3,759,036)
Restricted for extracurricular activities	48,604
Restricted for repair and replacement reserves	255,010
Unrestricted	751,822
	<hr/>
Total net position (deficit)	\$ (2,703,600)

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

**Collier Charter Academy
Statement of Activities
For the Year Ended June 30, 2024**

	<u>Expenditures</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>Activities Net Revenue (Expense) and Change in Net Position</u>
Functions/Programs:					
Instruction	\$ 2,403,632	\$ -	\$ 688,247	\$ -	\$ (1,715,385)
Student support services	408,214	-	103,328	-	(304,886)
Instruction and curriculum development services	10,214	-	794	-	(9,420)
Instructional staff training services	41,905	-	40,840	-	(1,065)
Instruction related technology Board	124,708	-	-	-	(124,708)
	64,284	-	7,245	-	(57,039)
School administration	801,135	-	4,223	-	(796,912)
Fiscal services	1,416,454	-	-	-	(1,416,454)
Food services	252,244	43,442	233,164	-	24,362
Central services	140,903	-	-	-	(140,903)
Transportation services	179,935	-	45,584	-	(134,351)
Operation of plant	1,128,256	-	65,226	-	(1,063,030)
Maintenance of plant	300,616	-	-	-	(300,616)
Community services	79,458	421,958	-	-	342,500
Extracurricular activities	85,628	-	64,739	-	(20,889)
Interest and other fees	<u>1,233,950</u>	<u>-</u>	<u>-</u>	<u>634,097</u>	<u>(599,853)</u>
 Total governmental activities	 \$ <u>8,671,536</u>	 \$ <u>465,400</u>	 \$ <u>1,253,390</u>	 \$ <u>634,097</u>	 <u>(6,318,649)</u>
 General revenues:					
FTE and other nonspecific revenues					6,195,709
Interest income					139,316
Miscellaneous					<u>6,727</u>
 Total general revenues					<u>6,341,752</u>
 Change in net position					23,103
 Net position (deficit), July 1, 2023					<u>(2,726,703)</u>
 Net position (deficit), June 30, 2024					\$ <u><u>(2,703,600)</u></u>

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

Collier Charter Academy
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>
Assets:					
Cash and cash equivalents	\$ 1,020,770	\$ -	\$ -	\$ 47,113	\$ 1,067,883
Other receivables	48,026	-	-	-	48,026
Due from other funds	243,514	-	-	1,491	245,005
Due from other governments	281	243,514	-	-	243,795
Due from related party	1,371	-	-	-	1,371
Interest receivable	6,352	-	-	-	6,352
Restricted investments	1,852,767	-	-	-	1,852,767
Prepaid items	41,452	-	-	-	41,452
Deposits	10,430	-	-	-	10,430
	<u>3,224,963</u>	<u>243,514</u>	<u>-</u>	<u>48,604</u>	<u>3,517,081</u>
Total assets	\$ <u>3,224,963</u>	\$ <u>243,514</u>	\$ <u>-</u>	\$ <u>48,604</u>	\$ <u>3,517,081</u>
Liabilities:					
Accounts payable and accrued liabilities	\$ 47,387	\$ -	\$ -	\$ -	\$ 47,387
Salaries and wages payables	226,301	-	-	-	226,301
Due to management company	309,470	-	-	-	309,470
Due to related parties	9,445	-	-	-	9,445
Due to other funds	1,491	243,514	-	-	245,005
	<u>594,094</u>	<u>243,514</u>	<u>-</u>	<u>-</u>	<u>837,608</u>
Total liabilities	<u>594,094</u>	<u>243,514</u>	<u>-</u>	<u>-</u>	<u>837,608</u>
Fund Balances:					
Nonspendable:					
Prepaid items	41,452	-	-	-	41,452
Deposits	10,430	-	-	-	10,430
Restricted for debt service	1,597,753	-	-	-	1,597,753
Restricted for repair and replacement reserves	255,010	-	-	-	255,010
Restricted for extracurricular activities	-	-	-	48,604	48,604
Unassigned	726,224	-	-	-	726,224
	<u>2,630,869</u>	<u>-</u>	<u>-</u>	<u>48,604</u>	<u>2,679,473</u>
Total fund balances	<u>2,630,869</u>	<u>-</u>	<u>-</u>	<u>48,604</u>	<u>2,679,473</u>
Total liabilities and fund balances	\$ <u>3,224,963</u>	\$ <u>243,514</u>	\$ <u>-</u>	\$ <u>48,604</u>	\$ <u>3,517,081</u>

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

Collier Charter Academy
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position (Deficit)
June 30, 2024

Total Fund Balances - Governmental Funds \$ 2,679,473

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund statements.

Cost of capital assets	\$	19,234,407	
Less accumulated depreciation and amortization		<u>(4,389,299)</u>	14,845,108

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.

Compensated absences	\$	(19,488)	
Accrued interest payable		(100,203)	
Bonds payable, net		(18,541,852)	
Lease payable		<u>(1,566,638)</u>	<u>(20,228,181)</u>

Net Position (Deficit) of Governmental Activities \$ (2,703,600)

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

**Collier Charter Academy
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>
Revenues:					
Federal sources	\$ -	\$ 963,873	\$ -	\$ -	\$ 963,873
State sources	6,365,676	1,768	339,980	-	6,707,424
Local sources	103,212	-	294,117	63,989	461,318
Aftercare	421,958	-	-	-	421,958
Interest income	139,316	-	-	750	140,066
	<u>7,030,162</u>	<u>965,641</u>	<u>634,097</u>	<u>64,739</u>	<u>8,694,639</u>
Total revenues					
Expenditures:					
Current:					
Instruction	1,999,522	281,155	-	-	2,280,677
Student support services	304,886	103,328	-	-	408,214
Instruction and curriculum development services	9,420	794	-	-	10,214
Instructional staff training services	1,065	40,840	-	-	41,905
Instruction related technology	124,708	-	-	-	124,708
Board	57,039	7,245	-	-	64,284
School administration	796,912	4,223	-	-	801,135
Fiscal services	1,416,454	-	-	-	1,416,454
Food services	19,080	233,164	-	-	252,244
Central services	140,903	-	-	-	140,903
Transportation services	179,935	-	-	-	179,935
Operation of plant	692,478	1,723	-	-	694,201
Maintenance of plant	300,616	-	-	-	300,616
Community services	79,458	-	-	-	79,458
Extracurricular activities	-	-	-	85,628	85,628
Capital outlay	171,693	-	-	-	171,693
Debt service:					
Principal	350,000	-	-	-	350,000
Interest on long-term debt	585,816	-	634,097	-	1,219,913
	<u>7,229,985</u>	<u>672,472</u>	<u>634,097</u>	<u>85,628</u>	<u>8,622,182</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>(199,823)</u>	<u>293,169</u>	<u>-</u>	<u>(20,889)</u>	<u>72,457</u>
Other Financing Sources (Uses):					
Transfer in	293,169	-	-	-	293,169
Transfer out	-	(293,169)	-	-	(293,169)
	<u>293,169</u>	<u>(293,169)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)					
Net change in fund balances	93,346	-	-	(20,889)	72,457
Fund Balances, July 1, 2023	<u>2,537,523</u>	<u>-</u>	<u>-</u>	<u>69,493</u>	<u>2,607,016</u>
Fund Balances, June 30, 2024	<u>\$ 2,630,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,604</u>	<u>\$ 2,679,473</u>

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

**Collier Charter Academy
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024**

Net Change in Fund Balances - Governmental Funds \$ 72,457

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

Governmental funds report capital outlay as expenditures; however, in the statement of activities, the costs of those assets are depreciated and amortized over their estimated useful lives.

Expenditures for capital assets	\$ 171,693	
Less current year provision for depreciation and amortization	<u>(560,393)</u>	(388,700)

Repayment of debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position (deficit).		350,000
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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.

Provision for amortization of bond discount	\$ (552)	
Change in accrued interest payable	(13,485)	
Change in compensated absences	<u>3,383</u>	<u>(10,654)</u>

Change in Net Position of Governmental Activities \$ 23,103

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

**Collier Charter Academy
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>
Revenues:				
State sources	\$ 7,377,789	\$ 7,377,789	\$ 6,365,676	\$ (1,012,113)
Local sources	34,279	34,279	103,212	68,933
Aftercare	201,553	201,553	421,958	220,405
Interest income	44,177	44,177	139,316	95,139
	<u>7,657,798</u>	<u>7,657,798</u>	<u>7,030,162</u>	<u>(627,636)</u>
Total revenues				
Expenditures:				
Current:				
Instruction	2,225,460	2,225,460	1,999,522	225,938
Student support services	174,415	174,415	304,886	(130,471)
Instruction and curriculum development services	11,700	11,700	9,420	2,280
Instructional staff training services	19,357	19,357	1,065	18,292
Instruction related technology	144,702	144,702	124,708	19,994
Board	27,882	27,882	57,039	(29,157)
School administration	650,236	650,236	796,912	(146,676)
Fiscal services	1,404,848	1,404,848	1,416,454	(11,606)
Food services	-	-	19,080	(19,080)
Central services	167,542	167,542	140,903	26,639
Transportation services	159,758	159,758	179,935	(20,177)
Operation of plant	850,241	850,241	692,478	157,763
Maintenance of plant	214,800	214,800	300,616	(85,816)
Community services	41,392	41,392	79,458	(38,066)
Capital outlay	240,008	240,008	171,693	68,315
Debt service:				
Principal	335,000	335,000	350,000	(15,000)
Interest on long-term debt	567,045	567,045	585,816	(18,771)
	<u>7,234,386</u>	<u>7,234,386</u>	<u>7,229,985</u>	<u>4,401</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	423,412	423,412	(199,823)	(623,235)
Other Financing Sources:				
Transfer in	-	-	293,169	293,169
	<u>-</u>	<u>-</u>	<u>293,169</u>	<u>293,169</u>
Net change in fund balance	\$ <u>423,412</u>	\$ <u>423,412</u>	\$ <u>93,346</u>	\$ <u>(330,066)</u>

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

**Collier Charter Academy
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>
Revenues:				
Federal sources:				
National School Lunch Program	\$ 249,714	\$ 249,714	\$ 231,396	\$ (18,318)
Title I	-	-	7,319	7,319
Title II	-	-	12,188	12,188
Unified School Improvement Grant	-	-	19,135	19,135
ESSER II	-	-	130,552	130,552
ESSER III	893,574	893,574	563,283	(330,291)
State sources:				
National School Lunch Program	-	-	1,768	1,768
Total revenues	<u>1,143,288</u>	<u>1,143,288</u>	<u>965,641</u>	<u>(177,647)</u>
Expenditures:				
Current:				
Instruction	573,688	573,688	281,155	292,533
Student support services	311,746	311,746	103,328	208,418
Instruction and curriculum development services	-	-	794	(794)
Instructional staff training services	-	-	40,840	(40,840)
Board	-	-	7,245	(7,245)
School administration	8,159	8,159	4,223	3,936
Food services	249,695	249,695	233,164	16,531
Operation of plant	-	-	1,723	(1,723)
Total expenditures	<u>1,143,288</u>	<u>1,143,288</u>	<u>672,472</u>	<u>470,816</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	293,169	293,169
Other Financing Uses:				
Transfer out	-	-	(293,169)	(293,169)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Note 1 - Organization and Operations

The Southwest Charter Foundation, Inc. (the "Foundation"), formerly known as the Lee Charter Foundation, Inc., was organized in September 2001 as a Florida nonprofit corporation. Collier Charter Academy (the "School") is a Department of the Foundation and is established as a charter school for students from kindergarten to eighth grade in Collier County. For the year ended June 30, 2024, the School served students in kindergarten through seventh grade. There were 571 students enrolled for the 2023/2024 school year.

The financial statements of Collier Charter Academy, a Department of Southwest Charter Foundation, Inc. ("SWCF") and a component unit of the School District of Collier County, Florida, 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 SWCF as of June 30, 2024, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The School operates under a charter granted by the sponsoring School District, the Collier County School District. The current charter is effective until June 2026. At the end of the term of the charter, the School District may choose not to renew the charter under grounds specified in the charter in which case the School District 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 District may also terminate the charter if good cause is shown. Collier Charter Academy is considered a component unit of the School District of Collier County, Florida.

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.

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 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 (deficit) and the statement of activities, present information about the School as a whole.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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 and 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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 District. Such funding is recorded as FTE 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 twelve-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 an initial 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 capital assets. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Buildings	40 years
Furniture, fixtures and equipment	5 years
Computer equipment	3 years

The School has recorded a right-to-use lease asset as required by 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.

Note 2 - Summary of Significant Accounting Policies (continued)

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 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.
- 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.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

- 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 Funds 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 basic financial statements.

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: The School has evaluated subsequent events through August 30, 2024, which is the date that 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 \$ 1,067,883 with a bank balance of \$ 1,118,908.

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 deposits of \$ 868,908 in excess of the federal insured level of \$ 250,000 are held in a qualified public depository and are covered by the collateral pool, as the School has identified itself as a public entity.

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		Amount
Receivable Fund	Payable Fund	
General Fund	Grants Fund	\$ 243,514
Club and Activities Fund	General Fund	<u>1,491</u>
		<u>\$ 245,005</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.

The composition of interfund transfers for the year ended June 30, 2024 is as follows:

	Transfers In General Fund
Transfers Out: Grants Fund	\$ <u>293,169</u>

During the year, transfers were used to move grant revenue received in the current year for prior year expenditures to the General Fund.

Note 5 - Due From/To Related Parties

Due from/to related parties represents amounts that are due from/to other schools that share common board membership and are Departments of SWCF and amounts that are due from/to SWCF and are expected to be repaid within one year.

Note 6 - Restricted Investments

Previously, SWCF issued bonds to finance the acquisition of facilities and equipment for two of their schools, including Collier Charter Academy (Note 8). The restricted investments of the School are held by the Trustee and are governed by the Bond Indenture. The Bond Indenture authorizes the Trustee to invest in obligations of the United States or any state, obligations issued by a government sponsored agency, U.S. denominated deposit accounts, certificates of deposit and banker’s acceptances, commercial paper, bonds, notes or debentures guaranteed by a corporation, investment agreements with banks, repurchase agreement secured by government obligations, investments in a money market fund and shares in any investment company, money market mutual fund, fixed income mutual fund or exchange traded fund. In accordance with the Bond Indenture, the Trustee has \$ 1,852,767 invested in a money market fund that is stated at amortized cost which approximates fair value.

Note 6 - Restricted Investments (continued)

Generally, *credit risk* is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The exposure to credit risk is limited because the money market fund is rated AAA-mf by Moody's.

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The exposure to declines in fair values is limited because the weighted average maturity of the money market fund is thirty four days.

Note 7 - 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:				
Building	\$ 15,879,000	\$ -	\$ -	\$ 15,879,000
Furniture, fixtures and equipment	754,173	37,990	-	792,163
Computer equipment	862,903	133,703	-	996,606
Lease assets:				
Land	1,566,638	-	-	1,566,638
 Total capital assets being depreciated/amortized	 <u>19,062,714</u>	 <u>171,693</u>	 <u>-</u>	 <u>19,234,407</u>
Accumulated depreciation/ amortization:				
Building	2,249,525	396,975	-	2,646,500
Furniture, fixtures and equipment	683,310	41,105	-	724,415
Computer equipment	784,831	85,233	-	870,064
Lease assets:				
Land	111,240	37,080	-	148,320
 Total accumulated depreciation/ amortization	 <u>3,828,906</u>	 <u>560,393</u>	 <u>-</u>	 <u>4,389,299</u>
 Net capital assets being depreciated/amortized	 <u>\$ 15,233,808</u>	 <u>\$ (388,700)</u>	 <u>\$ -</u>	 <u>\$ 14,845,108</u>

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

Instruction	\$ 126,338
Operation of plant	<u>434,055</u>
Total	<u>\$ 560,393</u>

Note 8 - Bonds Payable

Previously, the Florida Development Finance Corporation (the “Corporation”) issued \$ 40,485,000 in Tax Exempt Educational Facilities Revenue Bonds, Series 2017A and \$ 365,000 in Taxable Educational Facilities Revenue Bonds, Series 2017B pursuant to an Indenture of Trust between the Corporation and a Trustee to make a loan to SWCF, a division of which the School exists to finance the acquisition of the facilities and equipment of two charter schools existing under SWCF. The Series 2017A Bonds bear interest at 5.125% through June 2027, then at 6.000% through June 2037 and finally at 6.125% through June 2047. The Series 2017B Bonds bear interest at 6.375% through June 2020. Principal and interest will be paid semi-annually on June 15 and December 15. In order to secure the payment of the principal and interest on the Bonds, the Corporation assigned all of its rights and interest in the loan agreement to the Trustee. The Bonds are payable from and secured by a lien upon and pledge of payments to be received by the Trustee.

Upon the occurrence of an event of default as described in the Bond Indenture, the rate of interest on the Bonds shall be adjusted to bear interest at a rate equal to the rate on the Bonds plus three percent (3%) per annum until such event of default has been cured. In addition, the owners of not less than 25% of the bonds outstanding may declare the principal and interest to be immediately due and payable.

The School’s share of the annual debt service requirements to maturity for the Series 2017 Bond is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 370,000	\$ 1,122,523	\$ 1,492,523
2026	385,000	1,103,181	1,488,181
2027	405,000	1,082,990	1,487,990
2028	430,000	1,060,892	1,490,892
2029	455,000	1,034,423	1,489,423
2030-2034	2,740,000	4,716,101	7,456,101
2035-2039	3,670,000	3,766,709	7,436,709
2040-2044	4,960,000	2,468,700	7,428,700
2045-2047	5,139,550	647,944	5,787,494
	<u>\$ 18,554,550</u>	<u>\$ 17,003,463</u>	<u>\$ 35,558,013</u>

Note 9 - Lease Payable

Concurrent with the Series 2017 Bond issuance (Note 8), Red Apple Development, LLC and subsidiaries (“RAD”) entered into two land lease agreements with SWCF. The land which is owned by RAD is leased by SWCF on behalf of the schools under a 45-year lease. 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 as of the implementation date of July 1, 2020. The discount rate used to recognize the lease asset and the lease liability was 5.75%. For the year ended June 30, 2024, the School incurred interest expense of \$ 79,094 for this lease payable. In addition to rent, SWCF shall pay to RAD the total cost of ad valorem taxes, assessments and levies imposed upon the premises which totaled \$1,297 for the year ended June 30, 2024.

Collier Charter Academy
Notes to Basic Financial Statements
June 30, 2024

Note 9 - Lease Payable (continued)

The following is a schedule of the School’s future base rent payments as of June 30, 2024:

Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 80,676	\$ 80,676
2026	-	82,290	82,290
2027	-	83,935	83,935
2028	-	85,614	85,614
2029	-	87,326	87,326
2030-2034	-	463,539	463,539
2035-2039	-	511,784	511,784
2040-2044	2,373	562,678	565,051
2045-2049	199,504	424,358	623,862
2050-2054	340,620	348,174	688,794
2055-2059	536,403	224,082	760,485
2060-2063	487,738	48,698	536,436
	<u>\$ 1,566,638</u>	<u>\$ 3,003,154</u>	<u>\$ 4,569,792</u>

Note 10 - 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	Amortization	Balance at June 30, 2024	Amount Due Within One Year
Series 2017 Educational Facilities Revenue Bonds, net of unamortized discount of \$ 12,698	\$ 18,891,300	\$ -	\$ 350,000	\$ 552	\$ 18,541,852	\$ 370,000
Lease - land	1,566,638	-	-	-	1,566,638	-
Compensated absences	22,871	66,879	70,262	-	19,488	14,616
	<u>\$ 20,480,809</u>	<u>\$ 66,879</u>	<u>\$ 420,262</u>	<u>\$ 552</u>	<u>\$ 20,127,978</u>	<u>\$ 384,616</u>

Note 11 - Commitments

Management agreement: The School has a formal agreement with Charter Schools USA at Collier, LLC (“CSUSA”) to manage, staff, and operate the School. The agreement expires in June 2026. It will automatically renew for five-year periods unless terminated by either party. The agreement states that CSUSA shall be entitled to cost reimbursements and management fees (the “fee”) for its services, subject to availability of funds. The fee is subordinated to all bond payment requirements (Note 8). The fee ranges from \$ 1,692,567 for fiscal year 2025 to \$ 2,565,368 for fiscal year 2046 as defined in the agreement or the budgeted amount approved by the Board of Directors based on enrollment and School performance. Total cost reimbursements and management fees amounted to \$ 1,347,162 for the year ended June 30, 2024.

Note 11 - Commitments (continued)

The financial statements reflect a due to management company which totaled \$ 309,470 at June 30, 2024.

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

Note 12 - 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%

Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to reduce any employer contribution. For the Plan year ending December 31, 2023, the School had forfeitures of \$ 1,006. For the year ended June 30, 2024, the School contributed a matching amount of \$ 9,815.

Note 13 - 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 \$ 339,980 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 nonrenewal, 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 interest expense on the bonds payable.

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 \$ 294,117 for the 2023/2024 school year which has been recognized as revenue in the accompanying financial statements.

Note 14 - 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 were no claims in excess of insurance coverage limits during the past three years.

As disclosed in Note 11, 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**

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
Collier Charter Academy
Naples, 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 Collier Charter Academy (the "School"), a Department of Southwest Charter Foundation, Inc. and a component unit of the School Board of Collier 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 August 30, 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 have not been identified.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNI). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

Report on Compliance and Other Matters

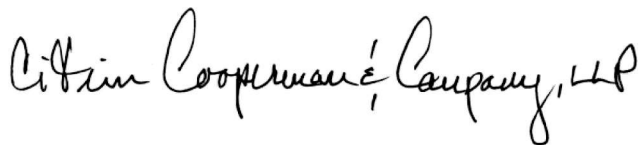
As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

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



Fort Lauderdale, Florida
August 30, 2024



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

To the Board of Directors
Collier Charter Academy
Naples, Florida

Report on the Financial Statements

We have audited the financial statements of Collier Charter Academy, Florida, (the "School"), as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated August 30, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent 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 August 30, 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 financial audit report. There were no findings or recommendations made in the preceding financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Collier Charter Academy and 119036.

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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 conditions 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 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

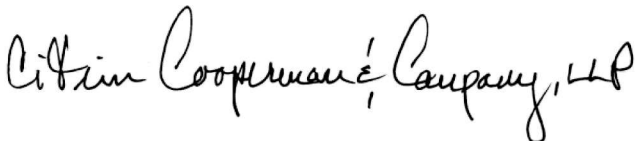
Section 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and 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.



Fort Lauderdale, Florida
August 30, 2024

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