

# Creekside Charter Academy

A Department of Florida Charter  
Educational Foundation, Inc.  
(A Component Unit of the School  
Board of Hillsborough County, Florida)

Basic Financial Statements  
For the Year Ended June 30, 2024

## Creekside Charter Academy

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Creekside Charter Academy  
Hillsborough County, 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 Creekside Charter Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School Board of Hillsborough 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 Florida Charter Educational 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 Florida Charter Educational Foundation, Inc. as of June 30, 2024, or the change in 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 11, 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 11, 2024

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Creekside Charter Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School Board of Hillsborough 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 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 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 totaled \$ 2,528,578, as compared to \$ 2,208,371 as of June 30, 2023.
- As of June 30, 2024, the School has net position (deficit) of \$ (769,576), as compared to \$ (905,833) 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 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 (deficit) 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 instruction 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, Debt Service 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 28 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 \$ (769,576) at the close of the most recent fiscal year.



**Creekside Charter Academy  
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:

	June 30, 2024	June 30, 2023	Variance
<b>Assets:</b>			
Current and other assets	\$ 3,287,183	\$ 3,098,363	\$ 188,820
Capital assets, net	10,512,127	10,919,120	(406,993)
<b>Total assets</b>	<b>13,799,310</b>	<b>14,017,483</b>	<b>(218,173)</b>
<b>Liabilities:</b>			
Current liabilities	1,101,497	1,208,155	(106,658)
Noncurrent liabilities	13,467,389	13,715,161	(247,772)
<b>Total liabilities</b>	<b>14,568,886</b>	<b>14,923,316</b>	<b>(354,430)</b>
<b>Net Position (Deficit):</b>			
Net investment in capital assets	(2,271,902)	(2,103,125)	(168,777)
Restricted	300,350	44,636	255,714
Unrestricted	1,201,976	1,152,656	49,320
<b>Total net position (deficit)</b>	<b>\$ (769,576)</b>	<b>\$ (905,833)</b>	<b>\$ 136,257</b>

Current and other assets increased mainly due to a rise in the School's cash position and monies due from other governments. Capital assets, net of depreciation decreased mainly due to the current year depreciation expense of \$ 458,781 offset by purchase of new assets of \$ 51,788. Current liabilities decreased due to a drop in monies owed to the management company. Long-term liabilities decreased due to payments on the School's bond payable.

**Governmental Activities:** The School's overall net position increased \$ 136,257 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

	June 30, 2024	June 30, 2023	Variance
<b>Revenues:</b>			
<b>Program revenues:</b>			
Charges for services	\$ 263,883	\$ 301,245	\$ (37,362)
Operating grants and contributions	1,893,232	1,489,508	403,724
Capital grants and contributions	504,195	418,943	85,252
<b>General revenues:</b>			
FTE and other nonspecific revenues	6,041,616	5,834,040	207,576
Interest income	102,053	61,639	40,414
Miscellaneous	1,001	2,568	(1,567)
<b>Total revenues</b>	<b>8,805,980</b>	<b>8,107,943</b>	<b>698,037</b>

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

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**Governmental Activities: (continued)**

	June 30, 2024	June 30, 2023	Variance
Functions/Programs:			
Instruction	\$ 3,608,120	\$ 3,316,270	\$ 291,850
Instruction support services	850,928	664,099	186,829
Board	50,368	25,620	24,748
General administration - District administrative fee	93,927	94,112	(185)
General administration - Management fee	1,023,711	785,092	238,619
Administrative services	645,210	797,343	(152,133)
Fiscal services	16,820	6,662	10,158
Food services	376,338	371,785	4,553
Central services	10,397	18,896	(8,499)
Transportation services	6,349	173	6,176
Operation of plant	877,269	867,751	9,518
Maintenance of plant	213,608	182,551	31,057
Community services - childcare or VPK salaries, benefits, materials and supplies, etc.	67,820	54,473	13,347
Extracurricular activities	84,742	114,674	(29,932)
Interest and other debt service costs	<u>744,116</u>	<u>754,312</u>	<u>(10,196)</u>
Total expenses	<u>8,669,723</u>	<u>8,053,813</u>	<u>615,910</u>
Change in net position	136,257	54,130	82,127
Net position (deficit)-beginning	<u>(905,833)</u>	<u>(959,963)</u>	<u>54,130</u>
Net position (deficit)-ending	<u>\$ (769,576)</u>	<u>\$ (905,833)</u>	<u>\$ 136,257</u>

Program revenues increased from a rise in ESSER III and capital outlay funding. General revenues increased due to a rise in funding for students and referendum revenues. Total expenses primarily increased due to increases in instruction, student support services, and general administration management fees expenses.

**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 \$ 1,020,490, while total fund balance increased to \$ 2,485,254. 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 17.0% of total General Fund expenditures, while total fund balance represents 41.4% of that same amount.

The fund balance of the School's General Fund increased by \$ 321,519 during the current fiscal year. The increase was due to funding for students and monies received from other funds.

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.

### **Financial Analysis of Governmental Funds (continued)**

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

The Debt Service Fund does not have an increase or decrease in fund balance during the current fiscal year as this fund is used to account for the accumulation of resources for, and the payment of principal and interest on long-term obligations of governmental funds.

The Club and Activities Fund had a decrease in fund balance during the current fiscal year due to decreased extracurricular activity.

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

**Capital assets:** At June 30, 2024, the School had capital assets of \$ 10,512,127, net of accumulated depreciation and amortization, invested in leased assets, building, improvements other than building, furniture, fixtures, and equipment, and computer equipment. Major capital assets additions for the year included \$ 51,788 for 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 \$ 13,713,890 as compared to \$ 13,953,617 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, 9 and 10 of this report.

### **General Fund Budgetary Highlights**

State source revenues were consistent with the budget. Local source revenues increased due to food service and interest funding. Expenditures were favorable to the budget primarily due to debt service expenditures.

### **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 any questions about this report or need additional information, please write Michael Valdes, Controller - School Accounting; Charter Schools USA, 800 Corporate Drive, Suite 700, Fort Lauderdale, Florida 33334.

**BASIC  
FINANCIAL STATEMENTS**

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

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	<b>Governmental Activities</b>
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 1,548,962
Due from other governments	226,778
Due from related parties	9,414
Accrued interest receivable	2,151
Other receivables	35,114
Restricted investments	318,407
Prepaid items	180,239
Deposits	36,257
	<u>2,357,322</u>
Total current assets	<u>2,357,322</u>
<b>Noncurrent Assets:</b>	
Restricted investments	929,861
Capital assets (depreciable and amortizable), net of accumulated depreciation and amortization	<u>10,512,127</u>
Total noncurrent assets	<u>11,441,988</u>
Total assets	<u>13,799,310</u>
<b>Current Liabilities:</b>	
Accounts payable and accrued liabilities	125,163
Salaries and wages payable	311,496
Due to management company	317,306
Due to related parties	4,640
Accrued interest payable	61,381
Compensated absences	26,258
Bonds payable	255,253
	<u>1,101,497</u>
Total current liabilities	<u>1,101,497</u>
<b>Noncurrent Liabilities:</b>	
Compensated absences	8,752
Bonds payable, net	12,203,017
Lease payable	1,255,620
	<u>13,467,389</u>
Total noncurrent liabilities	<u>13,467,389</u>
Total liabilities	<u>14,568,886</u>
<b>Net Position (Deficit):</b>	
Net investment in capital assets	(2,271,902)
Restricted for repair and replacement reserves	255,000
Restricted for debt service	2,026
Restricted for extracurricular activities	43,324
Unrestricted	1,201,976
	<u>1,201,976</u>
Total net position (deficit)	\$ <u><u>(769,576)</u></u>

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

**Creekside Charter Academy  
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	\$ 3,608,120	\$ -	\$ 1,088,085	\$ -	\$ (2,520,035)
Instruction support services	850,928	-	282,961	-	(567,967)
Board	50,368	-	-	-	(50,368)
General administration - District administrative fee	93,927	-	-	-	(93,927)
General administration - Management fee	1,023,711	-	-	-	(1,023,711)
Administrative services	645,210	-	20,592	-	(624,618)
Fiscal services	16,820	-	-	-	(16,820)
Food services	376,338	75,046	337,103	-	35,811
Central services	10,397	-	-	-	(10,397)
Transportation services	6,349	-	6,349	-	-
Operation of plant	877,269	-	52,575	-	(824,694)
Maintenance of plant	213,608	-	-	-	(213,608)
Community services - childcare or VPK salaries, benefits, materials and supplies, etc.	67,820	188,837	23,339	-	144,356
Extracurricular activities	84,742	-	82,228	-	(2,514)
Interest on long-term debt	744,116	-	-	504,195	(239,921)
	<u>744,116</u>	<u>-</u>	<u>-</u>	<u>504,195</u>	<u>(239,921)</u>
Total governmental activities	\$ <u>8,669,723</u>	\$ <u>263,883</u>	\$ <u>1,893,232</u>	\$ <u>504,195</u>	<u>(6,008,413)</u>
General revenues:					
FTE and other nonspecific revenues					6,041,616
Interest income					102,053
Miscellaneous income					1,001
Total general revenues					<u>6,144,670</u>
Change in net position (deficit)					136,257
Net position (deficit), July 1, 2023					<u>(905,833)</u>
Net position (deficit), June 30, 2024					\$ <u><u>(769,576)</u></u>

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

**Creekside Charter Academy**  
**Balance Sheet - Governmental Funds**  
**June 30, 2024**

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Club and Activities Fund</u>	<u>Total</u>
<b>Assets:</b>						
Cash and cash equivalents	\$ 1,473,129	\$ -	\$ -	\$ -	\$ 75,833	\$ 1,548,962
Due from other governments	-	188,069	38,709	-	-	226,778
Due from related parties	9,414	-	-	-	-	9,414
Due from other funds	259,287	-	-	-	-	259,287
Accrued interest receivable	2,151	-	-	-	-	2,151
Other receivables	35,114	-	-	-	-	35,114
Restricted investments	1,248,268	-	-	-	-	1,248,268
Prepaid items	180,239	-	-	-	-	180,239
Deposits	36,257	-	-	-	-	36,257
	<u>3,243,859</u>	<u>188,069</u>	<u>38,709</u>	<u>-</u>	<u>75,833</u>	<u>3,546,470</u>
Total assets	<u>\$ 3,243,859</u>	<u>\$ 188,069</u>	<u>\$ 38,709</u>	<u>\$ -</u>	<u>\$ 75,833</u>	<u>\$ 3,546,470</u>
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 125,163	\$ -	\$ -	\$ -	\$ -	\$ 125,163
Salaries and wages payable	311,496	-	-	-	-	311,496
Due to management company	317,306	-	-	-	-	317,306
Due to related parties	4,640	-	-	-	-	4,640
Due to other funds	-	188,069	38,709	-	32,509	259,287
	<u>758,605</u>	<u>188,069</u>	<u>38,709</u>	<u>-</u>	<u>32,509</u>	<u>1,017,892</u>
Total liabilities	<u>758,605</u>	<u>188,069</u>	<u>38,709</u>	<u>-</u>	<u>32,509</u>	<u>1,017,892</u>
<b>Fund Balances:</b>						
Nonspendable:						
Prepaid items	180,239	-	-	-	-	180,239
Deposits	36,257	-	-	-	-	36,257
Restricted for debt service	993,268	-	-	-	-	993,268
Restricted for repair and replacement reserves	255,000	-	-	-	-	255,000
Restricted for extracurricular activities	-	-	-	-	43,324	43,324
Unassigned	1,020,490	-	-	-	-	1,020,490
	<u>2,485,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,324</u>	<u>2,528,578</u>
Total fund balances	<u>2,485,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,324</u>	<u>2,528,578</u>
Total liabilities and fund balances	<u>\$ 3,243,859</u>	<u>\$ 188,069</u>	<u>\$ 38,709</u>	<u>\$ -</u>	<u>\$ 75,833</u>	<u>\$ 3,546,470</u>

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

**Creekside Charter Academy  
 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** \$ 2,528,578

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	\$	13,565,700	
Accumulated depreciation and amortization		<u>(3,053,573)</u>	10,512,127

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

Accrued interest payable	\$	(61,381)	
Compensated absences		(35,010)	
Bonds payable		(12,458,270)	
Lease payable		<u>(1,255,620)</u>	<u>(13,810,281)</u>

**Net Position (Deficit) of Governmental Activities** \$ (769,576)

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



**Creekside 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>Debt Service Fund</u>	<u>Club and Activities Fund</u>	<u>Total</u>
<b>Revenues:</b>						
Federal sources	\$ -	\$ 1,595,976	\$ -	\$ -	\$ -	\$ 1,595,976
State sources:						
Florida Education Finance Program	6,177,177	-	-	-	-	6,177,177
State capital outlay and debt service	-	-	458,497	-	-	458,497
Other state revenue	14,278	-	-	-	-	14,278
National School Lunch Program	-	3,553	-	-	-	3,553
Local capital outlay	-	-	45,698	-	-	45,698
Childcare revenue	188,837	-	-	-	-	188,837
Miscellaneous local source revenue	137,683	-	-	-	82,228	219,911
Interest income	100,851	-	-	-	1,202	102,053
Total revenues	<u>6,618,826</u>	<u>1,599,529</u>	<u>504,195</u>	<u>-</u>	<u>83,430</u>	<u>8,805,980</u>
<b>Expenditures:</b>						
Current:						
Instruction	2,649,456	757,634	-	-	-	3,407,090
Instruction support services	567,967	282,961	-	-	-	850,928
Board	50,368	-	-	-	-	50,368
General administration - District administrative fee	93,927	-	-	-	-	93,927
General administration - Management fee	1,023,711	-	-	-	-	1,023,711
Administrative services	624,618	20,592	-	-	-	645,210
Fiscal services	16,820	-	-	-	-	16,820
Food services	39,235	337,103	-	-	-	376,338
Central services	10,397	-	-	-	-	10,397
Transportation services	-	6,349	-	-	-	6,349
Operation of plant	611,261	-	-	-	-	611,261
Maintenance of plant	213,608	-	-	-	-	213,608
Community services - childcare or VPK salaries, benefits, materials and supplies, etc.	67,820	-	-	-	-	67,820
Extracurricular activities	-	-	-	-	84,742	84,742
Facilities acquisition and construction	35,798	15,990	-	-	-	51,788
Debt service:						
Principal	-	-	-	245,144	-	245,144
Interest	-	-	504,195	226,077	-	730,272
Total expenditures	<u>6,004,986</u>	<u>1,420,629</u>	<u>504,195</u>	<u>471,221</u>	<u>84,742</u>	<u>8,485,773</u>
Excess (deficiency) of revenues over (under) expenditures	<u>613,840</u>	<u>178,900</u>	<u>-</u>	<u>(471,221)</u>	<u>(1,312)</u>	<u>320,207</u>
<b>Other Financing Sources (Uses):</b>						
Transfer in	178,900	-	-	471,221	-	650,121
Transfer out	<u>(471,221)</u>	<u>(178,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(650,121)</u>
Total other financing sources (uses)	<u>(292,321)</u>	<u>(178,900)</u>	<u>-</u>	<u>471,221</u>	<u>-</u>	<u>-</u>
Net change in fund balances	321,519	-	-	-	(1,312)	320,207
<b>Fund Balances, July 1, 2023</b>	<u>2,163,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,636</u>	<u>2,208,371</u>
<b>Fund Balances, June 30, 2024</b>	<u>\$ 2,485,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,324</u>	<u>\$ 2,528,578</u>

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

**Creekside Charter Academy  
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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<b>Net Change in Fund Balances - Governmental Funds</b>	\$	320,207
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets is depreciated over their estimated useful lives as provision for depreciation and amortization.</p>		
Cost of capital assets	\$	51,788
Provision for depreciation and amortization		<u>(458,781)</u>
		(406,993)
<p>Principal payments on long-term debt are reported as expenditures in the governmental funds, but as a reduction of long-term liabilities in the statement of net position (deficit).</p>		
		245,144
<p>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.</p>		
Change in compensated absences	\$	(8,257)
Change in accrued interest payable		(8,427)
Provision for amortization of bond discount		<u>(5,417)</u>
		<u>(22,101)</u>
<b>Change in Net Position (Deficit) of Governmental Activities</b>	\$	<u><u>136,257</u></u>

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

**Creekside 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>
<b>Revenues:</b>				
State sources:				
Florida Education Finance Program	\$ 6,186,440	\$ 6,186,440	\$ 6,177,177	\$ (9,263)
Other state revenue	9,052	9,052	14,278	5,226
Childcare revenue	264,749	264,749	188,837	(75,912)
Miscellaneous local source revenue	38,444	38,444	137,683	99,239
Interest income	16,620	16,620	100,851	84,231
	<u>6,515,305</u>	<u>6,515,305</u>	<u>6,618,826</u>	<u>103,521</u>
<b>Expenditures:</b>				
Current:				
Instruction	2,661,180	2,661,180	2,649,456	11,724
Instruction support services	461,598	461,598	567,967	(106,369)
Board services	18,786	18,786	50,368	(31,582)
General administration - District administrative fee	101,086	101,086	93,927	7,159
General administration - Management fee	1,023,711	1,023,711	1,023,711	-
Administrative services	704,029	704,029	624,618	79,411
Fiscal services	5,863	5,863	16,820	(10,957)
Food services	-	-	39,235	(39,235)
Central services	35,996	35,996	10,397	25,599
Transportation services	2,790	2,790	-	2,790
Operation of plant	625,970	625,970	611,261	14,709
Maintenance of plant	168,067	168,067	213,608	(45,541)
Community services - childcare or VPK salaries, benefits, materials and supplies, etc.	37,810	37,810	67,820	(30,010)
Facilities rent	55,204	55,204	-	55,204
Facilities acquisition and construction	82,858	82,858	35,798	47,060
Debt service:				
Principal	245,144	245,144	-	245,144
Interest	192,584	192,584	-	192,584
	<u>6,422,676</u>	<u>6,422,676</u>	<u>6,004,986</u>	<u>417,690</u>
Excess in revenues over expenditures	<u>92,629</u>	<u>92,629</u>	<u>613,840</u>	<u>521,211</u>
<b>Other Financing Sources (Uses):</b>				
Transfer in	-	-	178,900	178,900
Transfer out	-	-	(471,221)	(471,221)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(292,321)</u>	<u>(292,321)</u>
Net change in fund balance	<u>\$ 92,629</u>	<u>\$ 92,629</u>	<u>\$ 321,519</u>	<u>\$ 228,890</u>

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

**Creekside 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>
<b>Revenues:</b>				
Federal sources:				
National School Lunch Program	\$ 335,366	\$ 335,366	\$ 333,550	\$ (1,816)
Title I	111,828	111,828	267,161	155,333
Title III	-	-	3,567	3,567
Title IV	-	-	17,774	17,774
ESSER II	-	-	80,591	80,591
ESSER III	635,546	635,546	893,333	257,787
State sources:				
National School Lunch Program	-	-	3,553	3,553
<b>Total revenues</b>	<u>1,082,740</u>	<u>1,082,740</u>	<u>1,599,529</u>	<u>516,789</u>
<b>Expenditures:</b>				
Current:				
Instruction	715,424	715,424	757,634	(42,210)
Instruction support services	-	-	282,961	(282,961)
Administrative services	-	-	20,592	(20,592)
Food services	296,813	296,813	337,103	(40,290)
Operation of plant	38,553	38,553	-	38,553
Transportation services	-	-	6,349	(6,349)
Facilities acquisition and construction	31,950	31,950	15,990	15,960
<b>Total expenditures</b>	<u>1,082,740</u>	<u>1,082,740</u>	<u>1,420,629</u>	<u>(337,889)</u>
Excess of revenues over expenditures	-	-	178,900	178,900
<b>Other Financing Uses:</b>				
Transfer out	-	-	(178,900)	(178,900)
<b>Net change in fund balance</b>	<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**

Creekside Charter Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc. ("FCEF"), and a component unit of the School Board of Hillsborough County, Florida, was established in 2017 as a public charter school to serve students from kindergarten to eighth grade in Hillsborough County. 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 also operates Keys Gate Charter School in Miami-Dade County, Henderson Hammock Charter School, Southshore Charter Academy, Waterset Charter School, Winthrop Charter School, Winthrop College Prep Academy and Woodmont Charter School in Hillsborough County, Innovation Preparatory Academy, and Union Park Charter Academy in Pasco County, Clay Charter Academy in Clay County and College Preparatory Academy at Wellen Park in Sarasota. There were 772 students enrolled for the 2023/2024 school year.

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 the changes in its financial position in accordance 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 Board, of Hillsborough County (the "School Board"). The current charter is effective until June 30, 2038, and may be renewed 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 Board may also terminate the charter if good cause is shown. The School is considered a component unit of the School Board of Hillsborough 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 reporting entity's 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 ("U.S. 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.

**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.

**Debt Service Fund** - This fund is used to account for the accumulation of resources for, and the payment of, principal and interest on long-term obligations of governmental funds.

**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 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.

**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 twelve month period the School is in session 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:

Building	45 years
Improvements other than building	10 years
Furniture, fixtures and equipment	5 years
Computer equipment	3 years

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

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

**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.

**Fund balance:** The governmental fund financial statements present fund balances based on the provisions of U.S. GAAP, which provide clearly defined fund balance classifications and also set 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:



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

- 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 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 Clubs 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:** Subsequent events were evaluated by management through October 11, 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 \$ 1,548,962 with a bank balance of \$ 1,555,067.

**Note 3 - Cash and Cash Equivalents (continued)**

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 \$ 1,305,067 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	\$	188,069
General Fund	Capital Project Fund		38,709
General Fund	Club and Activities Fund		<u>32,509</u>
		\$	<u><u>259,287</u></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		Total
	General Fund	Debt Service Fund	
Transfers Out:			
General Fund	\$ -	\$ 471,221	\$ 471,221
Grants Fund	<u>178,900</u>	<u>-</u>	<u>178,900</u>
Total	<u>\$ 178,900</u>	<u>\$ 471,221</u>	<u>\$ 650,121</u>

During the year, transfers were used to move grant revenue received in the current year for prior year expenditures to the General Fund and to move funds to the Debt Service Fund to make debt service payments.

**Note 5 - Due From/To Related Parties**

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

**Creekside Charter Academy**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

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**Note 6 – Restricted Investments**

Previously, FCEF issued bonds to finance the acquisition of facilities and equipment for two of the schools, including Creekside 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 \$ 1,248,268 invested in a money market fund that is stated at amortized cost which approximates fair value.

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 34 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	Transfer	Balance at June 30, 2024
Capital assets being depreciated/ amortized:				
Building	\$ 10,381,234	\$ -	\$ -	\$ 10,381,234
Furniture, fixtures and equipment	866,742	18,094	-	884,836
Computer equipment	947,489	33,694	-	981,183
Improvements other than building	62,827	-	-	62,827
Lease assets:				
Land	1,255,620	-	-	1,255,620
Total capital assets being depreciated/amortized	<u>13,513,912</u>	<u>51,788</u>	<u>-</u>	<u>13,565,700</u>
Accumulated depreciation/ amortization:				
Building	1,076,572	230,694	-	1,307,266
Furniture, fixtures and equipment	514,278	97,316	-	611,594
Computer equipment	906,715	95,457	-	1,002,172
Improvements other than building	10,131	6,283	-	16,414
Lease assets:				
Land	87,096	29,031	-	116,127
Total accumulated depreciation/ amortization	<u>2,594,792</u>	<u>458,781</u>	<u>-</u>	<u>3,053,573</u>
Net capital assets being depreciated/amortized	<u>\$ 10,919,120</u>	<u>\$ (406,993)</u>	<u>\$ -</u>	<u>\$ 10,512,127</u>

**Note 7 - Capital Assets (continued)**

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

Instruction	\$	192,773
Operation of plant		<u>266,008</u>
Total	\$	<u><u>458,781</u></u>

**Note 8 - Bonds Payable**

Previously, the Capital Trust Agency (the “Agency”) issued \$ 26,285,000 in Tax Exempt Educational Facilities Revenue Bonds, Series 2018A and \$ 770,000 in Taxable Educational Facilities Revenue Bonds, Series 2018B pursuant to an Indenture of Trust between the Agency and a Trustee to make a loan to FCEF, a division of which the School exists to finance the acquisition of the facilities and equipment of two charter schools existing under FCEF. The Series 2018A Bonds bear interest at 4.500% through June 2028, then at 5.375% through June 2048. The Series 2018B Bonds bear interest at 6.000% through June 2022. 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 Agency 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 2018 Bond is as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 255,253	\$ 664,246	\$ 919,499
2026	265,362	652,703	918,065
2027	277,999	640,534	918,533
2028	290,635	627,910	918,545
2029	305,798	613,998	919,796
2030-2034	1,789,300	2,802,179	4,591,479
2035-2039	2,332,660	2,258,683	4,591,343
2040-2044	3,045,347	1,549,461	4,594,808
2045-2048	<u>4,025,925</u>	<u>573,721</u>	<u>4,599,646</u>
	<u>\$ 12,588,279</u>	<u>\$ 10,383,435</u>	<u>\$ 22,971,714</u>

**Creekside Charter Academy**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

**Note 9 – Lease Payable**

Concurrent with the Series 2018 Bond issuance (Note 8), Red Apple Development, LLC and subsidiaries (“RAD”) entered into two land lease agreements with FCEF. The land which is owned by RAD is leased by FCEF on behalf of the schools under a 45-year lease. The lease agreement qualifies as other than short-term leases under U.S. GAAP and, therefore, has been recorded at the present value of the future minimum lease payments. The discount rate used to recognize the intangible right-to-use asset and the lease liability was 4.94%. For the year ended June 30, 2024, the School incurred interest expense of \$ 54,938 for this lease payable. 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 \$ 3,157 for the year ended June 30, 2024.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 63,766	\$ 63,766
2026	-	64,130	64,130
2027	-	64,456	64,456
2028	-	64,741	64,741
2029	-	64,980	64,980
2030-2034	-	326,657	326,657
2035-2039	-	323,634	323,634
2040-2044	47,002	309,952	356,954
2045-2049	151,714	281,614	433,328
2050-2054	245,032	233,397	478,429
2055-2059	369,721	158,503	528,224
2060-2064	442,151	49,623	491,774
	<u>\$ 1,255,620</u>	<u>\$ 2,005,453</u>	<u>\$ 3,261,073</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 July 1, 2023	Additions	Retirements	Amortization	Balance June 30, 2024	Amount Due Within One Year
Series 2018 Educational Facilities Revenue Bonds, net of unamortized discount of \$ 130,009	\$ 12,697,997	\$ -	\$ 245,144	\$ 5,417	\$ 12,458,270	\$ 255,253
Lease - land	1,255,620	-	-	-	1,255,620	-
Compensated absences	26,753	109,077	100,820	-	35,010	26,258
	<u>\$ 13,980,370</u>	<u>\$ 109,077</u>	<u>\$ 345,964</u>	<u>\$ 5,417</u>	<u>\$ 13,748,900</u>	<u>\$ 281,511</u>

**Note 11 - Federal, State and Local Revenue Sources**

The School recorded the following revenues for the year ended June 30, 2024:

Federal:	
National School Lunch Program	\$ 333,550
ESSER II	80,591
ESSER III	893,333
Title I	267,161
Title III	3,567
Title IV	17,774
State:	
Florida Education Finance Program	6,177,177
Capital outlay	458,497
Other state revenue	14,278
National School Lunch Program	3,553
Local:	
Local capital outlay	45,698
Childcare revenue	188,837
Miscellaneous local source revenue	219,911
Interest income	102,053
	\$ 8,805,980

**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 ended December 31, 2023, the School had forfeitures of \$ 1,422. For the year ended June 30, 2024, the School contributed a matching amount of \$ 18,337.

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

### **Note 13 - Commitments**

**Management agreement:** The School has a formal agreement with Charter Schools USA at Creekside, LLC (“CSUSA”) to manage, staff, and operate the School. The agreement 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 \$ 1,044,186 for fiscal year 2025 to \$ 1,646,576 for fiscal year 2048 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 \$ 1,023,711 for the year ended June 30, 2024.

The School had an amount of \$ 317,306 due to CSUSA for the year ended June 30, 2024.

### **Note 14 - 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 \$ 458,497 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 \$ 45,698 for the 2023/2024 school year which has been recognized as revenue in the accompanying financial statements.

### **Note 15 - Florida Education Finance Program (FEFP) Funding**

The basic amount of funding through the FEFP under Section 1011.62 is the product of (1) the School’s unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the 2023/2024 school year, the School reported 771.52 unweighted FTE. Weighted funding represented approximately 4% of total state funding.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (“FAC”). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC)
- Teacher certificates and certification documentation (Rule 6A-1.0503, FAC)
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC)
- Evaluation and planning documents for weighted programs (Sections 1011.62(1)(e), FS, and Rule 6A-6.03411, FAC).

**Note 16 - 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 three years.

As disclosed in Note 13, 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  
Creekside Charter Academy  
Hillsborough County, 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 Creekside Charter Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School Board of Hillsborough 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 11, 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.

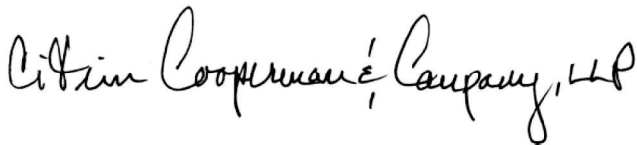
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## Report on Compliance and Other Matters

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 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  
October 11, 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  
Creekside Charter Academy  
Hillsborough County, Florida

### Report on the Financial Statements

We have audited the financial statements of Creekside Charter Academy, Florida, (the "School"), as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated October 11, 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 October 11, 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 Creekside Charter Academy and 297803.

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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 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

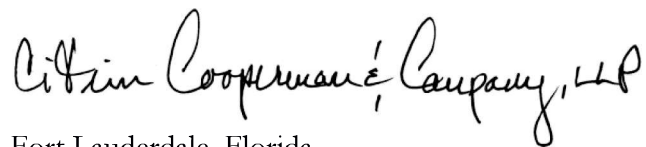
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with 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  
October 11, 2024

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