

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT
HOLLYWOOD MIDDLE, INC.**

HOLLYWOOD, FLORIDA
(A CHARTER SCHOOL AND A COMPONENT UNIT
OF THE SCHOOL BOARD OF BROWARD, FLORIDA)

BASIC FINANCIAL STATEMENTS, INDEPENDENT
AUDITOR'S REPORT AND SUPPLEMENTAL
INFORMATION

JUNE 30, 2025

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2025

TABLE OF CONTENTS

	PAGES
General Information.....	1
BASIC FINANCIAL STATEMENTS	
Independent Auditor’s Report.....	2-4
Management’s Discussion and Analysis (not covered by Independent Auditor’s Report).....	5-9
Basic Financial Statements	
<i>Government-wide Financial Statement:</i>	
Statement of Net Position.....	10
Statement of Activities.....	11
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds.....	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position.....	13
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	15
<i>Notes to Basic Financial Statements</i>	16-24
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund.....	25
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Special Revenue Fund.....	26
<i>Notes to Required Supplemental Information</i>	27
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 <i>Government Auditing Standards</i>	28-29
Management Letter.....	30-31

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

1100 Hillcrest Drive,
Hollywood, FL 33021

2024-2025

BOARD OF DIRECTORS

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Mr. Emiline Munoz, Treasurer
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Mr. Michael Rivera, Assistant Principal



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COLLABORATIVE FAMILY
LAW INSTITUTE

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Championship Academy of Distinction at Hollywood Middle, Inc. (the "School"), a charter School and component unit of the School Board of Broward County, as of and for the year ended June 30, 2025, 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, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

García Santa María De Armas Trujillo, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2025

Management’s Discussion and Analysis
Championship Academy of Distinction at Hollywood Middle, Inc.
June 30, 2025

The corporate officers of Championship Academy of Distinction at Hollywood Middle, Inc. (the “School”) have prepared this narrative overview and analysis of the School’s financial activities for the fiscal year ended June 30, 2025, the School’s first year of operations.

FINANCIAL HIGHLIGHTS

1. At year-end, the School had current assets of \$293,243.
2. At year-end, the School reported a net position of \$193,569 and a total fund balance of \$70,318.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School’s basic financial statements. The School’s financial statements for the year ended June 30, 2025 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The *Statement of Net Position* presents information on all of the School’s assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event resulting in the change occurs, without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10 – 11 of this report.

Fund Financial Statements

A “fund” is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements. All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government’s requirements for near-term financing.

Prior to the start of the School’s fiscal year, the Board of the School adopts an annual budget for all of its governmental funds, if applicable. A budgetary comparison statement has been provided for the School’s governmental funds to demonstrate compliance with the School’s budget. The basic governmental fund financial statements can be found on pages 12 - 15 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16 - 24 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of the School’s financial position. A summary of the School’s net position as of June 30, 2025 and 2024 follows:

	Net Position	
	2025	2024
Assets		
Cash and cash equivalents	\$ 262,205	\$ 280,596
Prepaid expenses	31,038	342,940
Capital and right to use assets, net	1,463,440	2,320,119
Total Assets	\$ 1,756,683	\$ 2,943,655
Liabilities and Net Position		
Accounts and wages payable and accrued liabilities	\$ 181,132	\$ 223,551
Due to related parties	41,793	-
Right to use liability	1,340,190	2,301,056
Total Liabilities	1,563,115	2,524,607
Net investment in capital assets	123,250	19,063
Deficit in Unrestricted	70,318	399,985
Total Net Position (Deficit)	193,568	419,048
Total Liabilities and Net Position	\$ 1,756,683	\$ 2,943,655

At June 30, 2025, the School's total assets were \$1,756,683 and total liabilities were \$1,563,114. At June 30, 2025, the School reported a total positive net position of \$193,569. A decrease year over year of \$225,480. A summary and analysis of the School's revenues and expenses for the year ended June 30, 2025 and 2024 follows:

REVENUES	<u>2025</u>	<u>2024</u>
Program Revenues		
Federal lunch program	\$ 187,210	\$ 141,979
Revenues from state sources	135,997	374,155
State capital outlay funding	221,573	201,967
General Revenues		
FEFP nonspecific revenue	2,402,230	2,473,615
Other local revenue	9,443	5,000
Total Revenues	<u>\$ 2,956,453</u>	<u>\$ 3,196,716</u>
 EXPENSES		
Instruction	\$ 1,572,109	\$ 1,445,672
Instructional support services	31,890	14,348
Instructional related technology	7,274	32,013
Food services	202,458	141,979
General administration	104,747	-
School administration	448,233	884,907
School Board	77,579	166,385
Operation of plant	604,165	612,609
Fiscal services	29,043	184,465
Transportation	28,400	36,700
Interest on long-term debt	76,035	117,108
Total Expenses	<u>\$ 3,181,933</u>	<u>\$ 3,636,186</u>
Change in Net Position	(225,480)	(439,470)
 Net Position (Deficit) at Beginning of Year	<u>419,048</u>	<u>858,518</u>
Net Position (Deficit) at End of Year	<u>\$ 193,568</u>	<u>\$ 419,048</u>

The School's total revenues for the year ended June 30, 2025 were \$2,956,453 while its total expenses were \$3,181,933 for a net decrease of \$225,480. The total decrease in revenues compared to prior year are mainly due to ESSER funding of \$293,176 not being available after September 30, 2024. The total increase in expenses was due to the implementation of a new lease having higher rent payments of \$480,000 annually. This resulted in the recognition of a new right-of-use asset and liability, see Note 8.

SCHOOL LOCATION

The School operates in the Hollywood area located at 1100 Hillcrest Drive, Hollywood, FL 33021.

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Ms. Jennifer Carreno, Operations Manager, at 1100 Hillcrest Drive, Hollywood, FL 33021.

CAPITAL IMPROVEMENT REQUIREMENT

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

For the year ended June 30, 2025, the School's governmental funds reported a net decrease in fund balance of \$329,667 and reported a combined fund balance at year-end of \$70,318.

CAPITAL ASSETS

The School, as of June 30, 2025, had a net investment in capital assets of \$123,251.

GOVERNMENTAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local district	\$ 2,180,526	\$ 2,180,526	\$ 2,402,230
State capital outlay funding	330,810	330,810	221,573
Federal passed through state	220,729	220,729	323,207
Local and other revenue	178,635	178,635	40,321
TOTAL REVENUES	\$ 2,910,700	\$ 2,910,700	\$ 2,987,331
EXPENDITURES			
Instruction	\$ 1,415,965	\$ 1,415,965	\$ 1,542,489
Instructional support services	128,616	128,616	31,890
Instructional related technology	50,000	50,000	7,274
Food services	88,609	88,609	202,458
School administration	400,459	400,459	438,744
School Board	30,000	30,000	77,579
General administration	2,781	2,781	104,747
Operation of plant	576,436	576,436	168,126
Fiscal services	65,000	65,000	29,043
Transportation	20,000	20,000	28,400
Maintenance of plant	30,000	30,000	-
Capital Outlay:			
Increase of right-of-use asset	-	-	1,744,155
Debt service			
Reduction of right-of-use liability	-	-	2,670,583
Interest	101,190	101,190	76,035
TOTAL EXPENDITURES	\$ 2,909,056	\$ 2,909,056	\$ 7,121,523
Net change in fund balance	1,644	1,644	(4,134,192)
OTHER FINANCING SOURCES			
Retirement of right-of-use asset	-	-	2,094,808
Increase of right-of-use liability	-	-	1,709,717
Total Other Financing Sources	-	-	3,804,525
Net change in fund balance	\$ 1,644	\$ 1,644	\$ (329,667)

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 262,205
Accounts receivable	31,038
TOTAL CURRENT ASSETS	<u>293,243</u>
CAPITAL AND RIGHT TO USE ASSETS, NET	<u>1,463,440</u>
TOTAL ASSETS	<u><u>\$ 1,756,683</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 33,101
Accrued payroll and related expenses	148,031
Due to related parties	41,793
Right-of-use liability - current portion	424,634
TOTAL CURRENT LIABILITIES	<u>647,559</u>
Right-of-use liability - long-term portion	915,556
TOTAL LIABILITIES	<u>1,563,115</u>
NET POSITION	
Invested in capital assets, net of related debt	123,250
Unrestricted	70,318
TOTAL NET POSITION	<u>193,568</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 1,756,683</u></u>

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

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,572,109	\$ -	\$ 61,234	\$ -	\$ (1,510,875)
Instructional and student support services	31,890	-	-	-	(31,890)
Instructional related technology	7,274	-	-	-	(7,274)
School Board	77,579	-	-	-	(77,579)
General administration	104,747	-	-	-	(104,747)
School administration	448,233	-	74,763	-	(373,470)
Fiscal services	29,043	-	-	-	(29,043)
Food services	202,458	-	187,210	-	(15,248)
Transportation	28,400	-	-	-	(28,400)
Operation of plant	604,165	-	-	221,573	(382,592)
Interest and other fees on long-term debt	76,035	-	-	-	(76,035)
Total Governmental Activities	\$ 3,181,933	\$ -	\$ 323,207	\$ 221,573	\$ (2,637,153)
GENERAL REVENUES:					
					2,402,230
					9,443
					<u>2,411,673</u>
					Change in Net Position (225,480)
					NET POSITION - BEGINNING <u>419,048</u>
					NET POSITION - ENDING <u>\$ 193,568</u>

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

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Total Governmental
ASSETS			
Cash and cash equivalents	\$ 262,205	\$ -	\$ 262,205
Accounts receivable	9,731	21,307	31,038
Due from internal funds	21,307	-	21,307
TOTAL ASSETS	\$ 293,243	\$ 21,307	\$ 314,550
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 33,101	\$ -	\$ 33,101
Accrued payroll and related expenses	148,031	-	148,031
Due to internal funds	-	21,307	21,307
Due to related party	41,793	-	41,793
TOTAL CURRENT LIABILITIES	222,925	21,307	244,232
TOTAL LIABILITIES			
FUND BALANCE			
Unassigned	70,318	-	70,318
TOTAL FUND BALANCE	70,318	-	70,318
TOTAL LIABILITIES AND FUND BALANCE	\$ 293,243	\$ 21,307	\$ 314,550

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

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2025

Total Fund Balance - Governmental Funds \$ 70,318

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

Capital and right to use assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. 1,463,440

Long term liabilities are not due in the current period and accordingly, are not reported as fund liabilities. (1,340,190)

Total Net Position - Governmental Activities \$ 193,568

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

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Outlay Fund	Total Governmental Funds
REVENUES				
State passed through local school district	\$ 2,402,230	\$ -	\$ -	\$ 2,402,230
Federal lunch program	-	187,210	-	187,210
Federal passed through state	-	135,997	-	135,997
State capital outlay funding	-	-	221,573	221,573
Other	40,321	-	-	40,321
TOTAL REVENUES	\$ 2,442,551	\$ 323,207	\$ 221,573	\$ 2,987,331
EXPENDITURES				
Current:				
Instruction	\$ 1,481,255	\$ 61,234	\$ -	\$ 1,542,489
Instructional support services	31,890	-	-	31,890
Instructional related technology	7,274	-	-	7,274
Food services	15,248	187,210	-	202,458
School administration	363,981	74,763	-	438,744
School Board	77,579	-	-	77,579
General administration	104,747	-	-	104,747
Operation of plant	168,126	-	-	168,126
Fiscal services	29,043	-	-	29,043
Transportation	28,400	-	-	28,400
Capital Outlay:				
Increase of right-of-use asset	1,744,155	-	-	1,744,155
Debt service:				
Reduction of right-of-use liability	2,449,010	-	221,573	2,670,583
Interest	76,035	-	-	76,035
TOTAL EXPENDITURES	6,576,743	323,207	221,573	7,121,523
Excess of revenues over expenditures	(4,134,192)	-	-	(4,134,192)
OTHER FINANCING SOURCES				
Retirement of right-of-use asset	2,094,808	-	-	2,094,808
Increase of right-of-use liability	1,709,717	-	-	1,709,717
TOTAL OTHER FINANCING SOURCES	3,804,525	-	-	3,804,525
NET CHANGE IN FUND BALANCE	(329,667)	-	-	(329,667)
Fund balance at beginning of year	399,985	-	-	399,985
Fund balance at end of year	\$ 70,318	\$ -	\$ -	\$ 70,318

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

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2025**

Change in Fund Balance - Governmental Funds \$ (329,667)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and/or amortization expense. Other income includes amounts previously recorded as a capital outlay, however, amounts were refunded in the current year.

Depreciation expense	(39,109)
Amortization expense	(436,039)
Other income	(30,878)

The proceeds from note payable provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net assets.

Net reduction in right-of-use liability	960,866
Net reduction in right-of-use asset	(350,653)

Change in Net Position of Governmental Activities \$ (225,480)

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

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Championship Academy of Distinction at Hollywood Middle, Inc. (the “School”), a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act and Section 1002.33 Florida Statutes, is a charter school and is a component unit of the District Board of Broward County, Florida (the “District”). The School is governed by a Board of Directors composed of six members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter agreement with the District, effective until June 30, 2025. The charter may be renewed as provided in Section 1002.33 or 1002.331, Florida Statutes, upon mutual consent between the School and the District and execution of a written renewal. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least ninety days prior to the charter's expiration. The School contract provides in the event the School is dissolved or terminated, any unencumbered funds and all School property purchased with public funds revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown.

These financial statements are for the year ended June 30, 2025, when approximately 242 students were enrolled in 6th through 8th grades.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board (“GASB”).

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue, debt service, and capital project funds are reported as separate columns in the fund financial statements:

The School utilizes the following major governmental funds:

General Fund – is the School’s primary operating fund. The General Fund accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

Capital Projects Fund – in accordance with guidelines established by the School Board of Broward County, Florida, this fund accounts for all resources for the leasing or acquisition of capital facilities by the School to the extent funded by capital outlay funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines*.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*.” On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis of Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g. instructional, pupil personnel services and school administration). Any revisions to the annual budget are approved by the Board.

Cash and Cash Equivalents

The School’s cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

Due from Other Agencies

Due from other agency consists of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources. There were no amounts due from other agencies as of June 30, 2025.

Capital Assets and Depreciation

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$1,000 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

	Esimated Useful Lives (years)
Improvements other than building	5
Furniture, fixtures, and equipment	3 - 5

Compensated Absences

The School grants a specific number of days for sick/personal leave. Full-time office and administrative employees are eligible for up to eight days of active work during the ten-month period (a “benefit year”). Teachers are eligible for up to eight days of active work during the benefit year. In the event that available time is not used by the end of the benefit year, employees may not “rollover” all unused days for use in future benefit years. There is an opportunity for teachers to “cash out” unused days; however, teachers may only cash out if they have not used their ten eligible days by the end of the benefit year.

In accordance with GASB Statement No. 101, Compensated Absences, the School recognizes a liability for leave when:

1. The leave is attributable to services already rendered by employees;
2. The leave accumulates and can be carried forward to future reporting periods;
3. It is more likely than not that the leave will be used for time off, paid in cash, or settled through other non-cash means.

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

The liability for compensated absences is measured using employees' pay rates in effect at the financial statement date. In the government-wide financial statements, compensated absences are reported as liabilities and expensed as incurred. In the governmental fund financial statements, the liability is recognized only for amounts that have matured as of year-end.

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Government-wide Fund Net Position

Government-wide fund net position are divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2025, was \$123,250.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. There were no restricted net assets at June 30, 2025.
- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2025, the School's non-spendable fund balance was \$0.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2025, there is no restricted fund balance.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. At June 30, 2025, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2025, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School's general fund and includes all spendable amounts not contained in the other classifications.

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Fund Balance Spending Policy

The School considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, or unassigned amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The School has a revenue spending policy that provides guidance for programs with multiple revenue sources. The finance officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-city funds, city funds, and funds passed through the District. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The finance officer has the authority to deviate from this policy if it is in the best interest of the School.

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Broward County (the "School Board") pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

The School may also receive federal grant awards and State financial assistance for the enhancement of various educational programs. Federal awards and State financial assistance are generally received based on an application submitted to and approved by various granting agencies. For federal awards and state financial assistance in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. This activity is recorded in the Special Revenue Fund and Capital Outlay Fund. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Income Taxes

Championship Academy of Distinction at Hollywood Middle, Inc. qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2025, which is the date the financial statements were available to be issued.

Recently Adopted Accounting Pronouncements

Implementation of GASB Statement No. 101, Compensated Absences: In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, Compensated Absences (GASB 101). This Statement establishes a single model for recognizing and measuring compensated absences. The provisions of GASB 101 are effective for reporting periods beginning after December 15, 2023. The School implemented GASB 101 for the fiscal year ended June 30, 2025.

Implementation of GASB Statement No. 102, Certain Risk Disclosures: In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, Certain Risk Disclosures (GASB 102). This Statement requires disclosure of risks from concentrations and constraints that could significantly affect a government's ability to provide services or meet obligations as they come due. The provisions of GASB 102 are effective for reporting periods beginning after June 15, 2024. The School implemented GASB 102 for the fiscal year ended June 30, 2025. The implementation of the standard had no impact on the School's financial position, fund balance or changes in financial position and fund balance. See Note 9 for applicable disclosures.

NOTE 3 - CASH DEPOSITS

It is the School's policy to maintain its cash and cash equivalents in one financial institution. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. As of June 30, 2025, the School's bank balances did not exceed the FDIC limit.

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025 is as follows:

	Balance 7/1/2024	Additions	Disposals	Balance 6/30/2025
Capital Assets				
Leasehold improvements	\$ 156,710	\$ -	\$ (31,330)	\$ 125,380
Furniture and fixtures	88,860	-	-	88,860
Total Capital Assets	<u>245,570</u>	<u>-</u>	<u>(31,330)</u>	<u>214,240</u>
Less Accumulated Depreciation				
Leasehold improvements	(8,283)	(9,489)	452	(17,320)
Furniture and fixtures	(11,976)	(29,620)	-	(41,596)
Total Accumulated Depreciation	<u>(20,259)</u>	<u>(39,109)</u>	<u>452</u>	<u>(58,916)</u>
Capital Assets, net	<u>225,311</u>	<u>(39,109)</u>	<u>(30,878)</u>	<u>155,324</u>
Right to use assets				
Right-to-use lease asset	2,513,770	1,744,155	(2,513,770)	1,744,155
Accumulated amortization	(418,962)	(436,039)	418,962	(436,039)
Total leased assets, net	<u>2,094,808</u>	<u>1,308,116</u>	<u>(2,094,808)</u>	<u>1,308,116</u>
Total capital and right to use assets, net	<u>\$ 2,320,119</u>	<u>\$ 1,269,007</u>	<u>\$ (2,125,686)</u>	<u>\$ 1,463,440</u>

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 5 – TRANSACTIONS WITH MANAGEMENT COMPANY

In April 2021, the School entered into a contract with Solutions Academy, LLC for the general management of the day-to-day educational and operational aspects of the School through the contract term, ending June 30, 2027. Under the terms of the agreement, the School paid ten percent (10%) of FEFP revenues, less the District’s administrative fee, in monthly installments.

During the year ended June 30, 2025, the School paid management fees to Solutions Academy, LLC of \$181,233. There were no amounts due to the management company at June 30, 2025. Subsequent to year-end, the agreement between Solutions Academy, LLC and the School was terminated.

NOTE 6 – RELATED PARTY TRANSACTIONS

The School transacts with other charter schools, Championship Academy of Distinction of Hollywood, Inc. (“CADH”) and Championship Academy of Distinction at Davie, Inc. (“CADD”), which are related through common control by the School’s management and Board of Directors. At times, the related charter schools may pay expenses on behalf of the School and vice versa, which are recorded as amounts due to or from related parties. Activities between the related entities are related to lease obligations, management fees, payroll and employee benefits, National School Lunch Program reimbursement, and student transportation services.

Amounts due to related parties as of June 30, 2025 are as follows:

Due to CADH	\$ 41,793
Due to related parties	<u>\$ 41,793</u>

NOTE 7 – PROFESSIONAL SERVICES CONTRACT

In March 2022, the School entered into an agreement with Building Hope Services to provide accounting, financial reporting, human resources and payroll services to the School. The contract, renewable annually, calls for an annual fee of \$100 per student based on enrollment at the beginning of the school year, payable in monthly installments. For the year ended June 30, 2025, the School incurred fees related to this agreement totaling \$28,400.

NOTE 8 – FACILITY LEASE

The School entered into a sublease agreement with CADH, for its educational facility through June 30, 2028. The lease calls for annual base rent to be \$480,000, payable monthly, and for additional rent as the School assists with the payments of insurance, maintenance, and utility costs. Rent expense charged to operations for the year ended June 30, 2025 totaled \$480,000.

On July 1, 2021, the School implemented GASB Statement No. 87 Leases, and as a result recorded a lease right-of-use asset and liability in these financial statements for the facility lease, based on the most recent rental agreement between CADH and the School. The School used an interest rate of 5.00% based on the average incremental borrowing rate of the School to discount the annual lease payments and recognize the intangible right-of-use asset and lease liability as of July 1, 2024. The previously recorded right-of-use asset and liability were removed on the same date to coincide with the newest lease agreement between the School and CADH. The interest expense was \$76,035 and the amortization of the right-of-use asset was \$436,039 for the year ended June 30, 2025.

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 – FACILITY LEASE (Continued)

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

	Balance			Balance
	July 1, 2024	Increase	Decrease	June 30, 2025
Right-of-use liability	\$2,301,056	\$ 1,709,717	\$ 2,670,583	\$ 1,340,190
	<u>\$2,301,056</u>	<u>\$ 1,709,717</u>	<u>\$ 2,670,583</u>	<u>\$ 1,340,190</u>

Annual requirements to amortize the lease liability and related interest are estimated as follows:

Year Ended	Principal	Interest	Total
2026	\$ 424,634	\$ 55,366	\$ 480,000
2027	446,359	33,641	480,000
2028	469,197	10,803	480,000
	<u>\$ 1,340,190</u>	<u>\$ 99,810</u>	<u>\$ 1,440,000</u>

NOTE 9 – CERTAIN RISKS AND CONTINGENCIES

The School receives the majority of its operating revenue from per-pupil funding provided by the District under the Florida Education Finance Program (FEFP), based on the number of full-time equivalent (FTE) students enrolled. Changes in enrollment levels or modifications to the State of Florida’s funding formula or allocation procedures could affect the School’s ability to provide educational services or meet financial obligations. The accuracy of FTE data submitted by the School is subject to audit by the state and, if found to be in error, could result in refunds to the state or reductions in future funding. The School also receives grant funds from various federal, state, and local agencies. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as a result of these audits is not reflected in these financial statements.

The School leases its educational facility from a related party as noted in Note 8 under a long-term lease agreement. Relocation to another suitable facility within the School’s geographic service area could be difficult in the event of nonrenewal or termination of the lease

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

In the course of conducting its operations, the School may become party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – INTERFUND BALANCES

Interfund balance in governmental funds as of June 30, 2025 consists of the following:

	General Fund	Special Revenue Fund
Due to General Fund from Special Revenues Fund for Title I	\$ 21,307	\$ (21,307)
Total Due from/(Due to) Funds	<u>\$ 21,307</u>	<u>\$ (21,307)</u>

REQUIRED SUPPLEMENTAL INFORMATION

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local school district	\$ 2,180,526	\$ 2,180,526	\$ 2,402,230
Local and other revenue	178,635	178,635	40,321
TOTAL REVENUES	\$ 2,359,161	\$ 2,359,161	\$ 2,442,551
EXPENDITURES			
Instruction	\$ 1,283,845	\$ 1,283,845	\$ 1,481,255
Instructional support services	128,616	128,616	31,890
Instructional related technology	50,000	50,000	7,274
Food services	-	-	15,248
School administration	400,459	400,459	363,981
School Board	30,000	30,000	77,579
General administration	2,781	2,781	104,747
Operation of plant	245,626	245,626	168,126
Fiscal services	65,000	65,000	29,043
Transportation	20,000	20,000	28,400
Maintenance of plant	30,000	30,000	-
Capital Outlay:			
Increase of right-of-use asset	-	-	1,744,155
Debt service			
Reduction of right-of-use liability	-	-	2,449,010
Interest	-	-	76,035
TOTAL EXPENDITURES	\$ 2,256,327	\$ 2,256,327	\$ 6,576,743
Excess of revenues over expenditures	102,834	102,834	(4,134,192)
OTHER FINANCING SOURCES			
Retirement of right-of-use asset	-	-	2,094,808
Increase of right-of-use liability	-	-	1,709,717
Transfers In (Out)	(101,190)	(101,190)	-
TOTAL OTHER FINANCING SOURCES	(101,190)	(101,190)	3,804,525
Net change in fund balance	<u>\$ 1,644</u>	<u>\$ 1,644</u>	<u>\$ (329,667)</u>

See accompanying note to the required supplemental information.

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Federal passed through state	\$ 220,729	\$ 220,729	\$ 323,207
TOTAL REVENUES	<u>220,729</u>	<u>220,729</u>	<u>323,207</u>
EXPENDITURES			
Instruction	132,120	132,120	61,234
Food services	88,609	88,609	187,210
School administration	-	-	74,763
TOTAL EXPENDITURES	<u>220,729</u>	<u>220,729</u>	<u>323,207</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to the required supplemental information.

**CHAMPIONSHIP ACADEMY OF DISTINCTION AT HOLLYWOOD MIDDLE, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2025, has been prepared according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).



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NATIONAL ASSOCIATION OF
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COLLABORATIVE FAMILY
LAW INSTITUTE

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Championship Academy of Distinction at Hollywood Middle, Inc. (the "School") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 30, 2025.

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 School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2025



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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Championship Academy of Distinction at Hollywood Middle, Inc. (the “School”), a non-major component unit of the District School Board of Broward County, Florida, as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 30, 2025.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated September 30, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Championship Academy of Distinction at Hollywood Middle, Inc. and #065215.

Financial Condition and Management

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financials condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2025 is not deteriorating.

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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

García Santa María De Armas Trujillo, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2025