HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

The Charter School of Excellence #5271 Davie Campus
(A Charter School under The Charter School of Excellence, Inc.
and a Component Unit of The School Board of Broward County, Florida)

Pembroke Pines, Florida

Financial Statements and
Independent Auditors' Report

June 30, 2026

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The Charter School of Excellence, Inc.
(A charter school under The Charter School of Excellence, Inc.)

W/L #: 5271

2801 North University Drive,
Pembroke Pines, Florida 33024

2025-2026

BOARD OF DIRECTORS

Katrina Wilson, President
Devarn Flowers, Vice-President
Felicia Brunson, Secretary
Patricia Archer, Treasurer
Reverend Robert Lynch, Director
Carissa Chisholm, Director

SCHOOL ADMINISTRATION

Robert Haag, Superintendent
Lissette Torres, Principal
Dr. Josetta Destin-Washington, Principal. Effective for school year 2026-2027.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Charter School of Excellence #5271 Davie Campus
Pembroke Pines, 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 Charter School of Excellence #5271 Davie Campus (the "School"), a charter school under The Charter School of Excellence, Inc., which is a component unit of the District School Board of Broward County, as of, and for the year ended June 30, 2026, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of The Charter School of Excellence #5271 Davie Campus as of June 30, 2026, 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 (GAAS) 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 Charter School of Excellence #5271 Davie Campus 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 Charter School of Excellence #5271 Davie Campus' 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.

Auditors' 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.
- 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.

Emphasis of a Matter – Presentation

As described in Note 1, the accompanying financial statements referred to above present only the financial position and change in financial position of The Charter School of Excellence #5271 Davie Campus that is attributable to the transactions of the School and is not intended to be a complete presentation of The Charter School of Excellence, Inc. These financial statements do not purport to, and do not, present fairly the financial position of The Charter School of Excellence, Inc. as of June 30, 2026 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension schedules on pages 5-9, 36-38 and 39-42 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, 2026 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, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026

Management's Discussion and Analysis
The Charter School of Excellence, Inc. #5271 Davie Campus 1
(A Charter School Under The Charter School of Excellence, Inc.)
June 30, 2026

The corporate officers of The Charter School of Excellence, Inc. management's discussion and analysis of the School's financial performance for the fiscal year ended June 30, 2026.

About the School

The Charter School of Excellence #5271 Davie Campus opened in 2008 and is a Broward County public charter school that serves students in kindergarten through fifth grade.

Overview of the Financial Statements

The financial statements of the School presents the financial position and results of operations of the School for the fiscal year ended June 30, 2026, in accordance with generally accepted accounting principles for state and local governments.

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.

The government-wide financial statements report all assets and liabilities of the government, including both financial and nonfinancial assets and both short-term and long-term obligations. Revenues are recognized when they relate to the current reporting period, regardless of when the related cash is received, and expenses are recognized when incurred, regardless of when cash is paid. The government-wide statements also report deferred outflows and deferred inflows of resources that relate to future reporting periods. Accordingly, the government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The governmental fund financial statements focus on current financial resources. They generally report current financial assets and liabilities, such as cash, receivables, and accounts payable, rather than long-term capital assets and long-term liabilities. Revenues are recognized when they are both measurable and available to finance current-period expenditures, while expenditures generally are recognized when the related governmental fund liability is incurred, subject to certain exceptions for long-term obligations. Deferred outflows and deferred inflows reported at the governmental fund level are limited to those applicable to current financial resources. Accordingly, governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

More detail about the measurement focuses and bases of accounting can be found in the first note to the financial statements, the Summary of Significant Accounting Policies.

FINANCIAL SUMMARY

A summary of the School's net position as of June 30, 2026 and 2025 follows:

	2026	2025	Variance
Cash	$ 118,286	$ 593,587	$ (475,301)
Investments	754,500	-	754,500
Prepaid expenses	7,444	7,444	-
Due from other agencies	551,752	270,443	281,309
Due from The Charter School of Excellence, Inc. Ft.	-	679,701	(679,701)
Lauderdale Capital and right of use assets, net	820,907	928,535	(107,628)
Total Assets	2,252,889	2,479,710	(226,821)
Deferred outflows of resources	544,982	571,680	(26,698)
Accounts payable and accrued liabilities	102,489	24,499	77,990
Salaries and wages payable	127,704	116,897	10,807
Compensated absences	13,463	1,621	11,842
Notes payable	150,000	-	150,000
Lease obligations and loan payable	404,479	503,010	(98,531)
Net pension liability	1,292,421	1,308,496	(16,075)
Total Liabilities	2,090,556	1,954,523	136,033
Deferred inflows of resources	992,906	348,312	644,594
Net Position:			
Net investment in capital assets	416,428	425,525	(9,097)
Unrestricted	(702,019)	323,030	(1,025,049)
Total Net Position	$ (285,591)	$ 748,555	$(1,034,146)

The School's financial position declined during the year ended June 30, 2026. Total net position decreased by approximately $1,034,000, from a positive net position of approximately $749,000 at June 30, 2025, to a deficit net position of approximately $286,000 at June 30, 2026. The decrease was primarily a result of the District and Board approved charter school consolidation of The Charter School of Excellence, Inc.#5031 Fort Lauderdale 1 Campus as of July 1, 2025 with a deficit net position of $1,108,428. See Note 12 for additional information.

The most significant changes in total assets and liabilities were as follows: Cash decreased by approximately $475,000 or 80% due to increase in investments. The School approved an investment during the year of $754,500, see Note 5 for additional information. Amounts due from other agencies increased by approximately $281,000, primarily reflecting the final installment payments from Broward County Public School for settlement referendum funds for both the Davie and Ft. Lauderdale campuses. Due from other divisions of The Charter School of Excellence, Inc. decreased by approximately $679,000, as a result of the consolidation with the #5031 Ft. Lauderdale 1 Campus.

Total liabilities increased by approximately $136,000, primarily due to a $150,000 increase in notes payable to fund working capital needs during the year. Deferred inflows of resources increased significantly, by approximately $645,000, primarily due to the transfer in of pension liabilities.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2026 and June 30, 2025 follows:

	2026	2025	Variance
REVENUES			
Program Revenues			
Operating grants and contributions	$ 272,657	$ 506,465	$ (233,808)
Capital grants and contributions	279,004	204,396	74,608
Charges for services	27,706	17,627	10,079
General Revenues			
State and local sources	2,891,419	2,401,027	490,392
Other revenue	165,949	68,812	97,137
Total Revenues	$ 3,636,735	$ 3,198,327	$ 438,408
EXPENSES			
Instruction	$ 1,394,368	1,253,088	$ 141,280
Student support services	103,562	26,596	76,966
Instruction and curriculum development	70,886	16,064	54,822
Instructional staff training	12,100	10,950	1,150
Board	55,357	44,250	11,107
School administration	451,090	467,437	(16,347)
Fiscal services	202,413	63,750	138,663
Food services	153,164	139,213	13,951
Central services	23,347	65,511	(42,164)
Pupil transportation services	183,844	96,831	87,013
Operation of plant	771,476	452,887	318,589
Maintenance of plant	50,214	20,888	29,326
Administrative technology services	49,635	27,658	21,977
Debt service	40,997	21,854	19,143
Total Expenses	3,562,453	2,706,977	855,476
Change in Net Position	74,282	491,350	(417,068)
Unusual or infrequent item (transfer in net position)	(1,108,428)	-	(1,108,428)
Net Position at Beginning of Year	748,555	257,205	491,350
Net Position at End of Year	$ (285,591)	$ 748,555	$(1,034,146)

Enrollment increased slightly between fiscal years, with 231 full-time equivalent students during fiscal year 2026 compared with 223 students during fiscal year 2025 or approximately 4%.

Total revenues increased by approximately $438,000, or 14%, The increase was primarily attributable to state and local sources and other revenue, which increased by approximately $490,000 and $97,000, respectively, as the School recognized referendum settlement revenues and interest income in the current year of approximately $534,000. The increase in capital grants and contributions of approximately $75,000 was attributable to an increase in the amount funded per student.

Operating grants and contributions decreased by approximately $234,000, due to the expiration of the grant expenditure period for the Education Stabilization Fund – American Rescue Plan – Elementary and Secondary School Emergency Relief (ESSER).

Instruction, student support services and instruction and curriculum development increased by approximately $273,000 or 21%, directly attributable to increase in state and local source revenues, increases in student enrollment and additional investments in instruction.

Fiscal services increased approximately $139,000, primarily due to an employee on payroll was moved to an independent contractor in FY26.

Pupil transportation services increase approximately $87,000, primarily due to the bus company ran double routes this current year.

Operation of plant increased as a result of the consolidation of the Fort Lauderdale #5031 campus and the recognition of the corresponding right-of-use lease liability.

Governmental Funds

The School reports three major funds individually in the governmental fund financial statements. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. There were significant changes in two of the three major funds.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of $992,596. The fund balance unassigned and available for spending at the School's discretion is $985,152. These funds will be available for the School's future ongoing operations.

The special revenue fund reported an ending fund balance of $45,730 comprised of restricted lunch program funds of approximately $11,627 and assigned community services fund of $34,103. The community services fund reflects the activity in the School's internal funds and accounts for the current year change in the ending fund balance.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The School's investment in capital and right of use lease assets as of June 30, 2026 amounts to $820,907 (net of accumulated depreciation and amortization). This investment in capital assets includes right-of-use asset (building), improvements, furniture, fixtures and equipment, and computer software. During the year, the School transferred in capital and right of use lease assets from Ft. Lauderdale Campus #5031. See Note 4 for more information.

The School leases a facility located at 2801 North University Drive, Pembroke Pines, Florida 33024.

Long-Term Liabilities

As of June 30, 2026, the School had $404,479 of long-term lease liabilities associated to its capital assets.

The lease asset is amortized using the straight-line method over the term of the lease and the lease liability amortizes based on the effective interest method resulting in a higher liability and expense during the early years of the lease.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

Currently known facts, decisions or conditions expected to affect the School's financial position include:

- Enrollment – enrollment is projected to be approximately 230 in fiscal year 2027.
- Changes in funding or legislative appropriations - the School receives Secure the Next Generation referendum to raise/maintain teacher compensation and improve school safety and security from Broward County School District. The current renewal is set to expire on June 30, 2027. A new referendum with the same wording regarding allowable uses will be on the ballot in Broward County in November 2026. Local Capital Improvement Revenue will increase an additional 25% in 2026-27 from the amount in 2025-26 plus any increases from higher local tax collections.
- Planned capital projects for fiscal year 2027 are as follows:
  - New carpeting in all classrooms and the front office
  - Painting in all classrooms and offices
  - New teacher desks, chairs, and file cabinets for each classroom
  - Installation of new electrical outlets in all classrooms
  - Installation of a new fence around the dumpster area
  - Installation of a new grass field for student recess
  - Sealcoating of the parking lot

Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to the Senior Management Team, The Charter School of Excellence, Inc., 1217 Southeast 3rd Avenue, Fort Lauderdale, Florida 33316.

The Charter School of Excellence, Inc. #5271 Davie 1 Campus (A charter school under The Charter School of Excellence, Inc.)

Statement of Net Position
June 30, 2026

	Governmental Activities
Assets	
Current assets:	
Cash	$ 118,286
Investments	754,500
Due from other agencies, net	551,752
Prepaid expenses and other current assets	7,444
Total current assets	1,431,982
Capital assets, net	
Capital assets, depreciable	1,498,953
Less: accumulated depreciation	(1,058,669)
Right-of-use lease asset	1,297,120
Less: accumulated amortization	(916,497)
Total Capital assets, net	820,907
Total Assets	2,252,889
Deferred Outflows of Resources	
Deferred outflows related to pension liability	544,982
Liabilities	
Current liabilities:	
Accounts payable and accrued expenses	102,489
Salaries and wages payable	127,704
Compensated absences	13,463
Note payable	150,000
Lease obligations, current	210,955
Total Current Liabilities	604,611
Net pension liability	1,292,421
Lease obligations	193,524
Total Liabilities	2,090,556
Deferred Inflows of Resources	
Deferred inflows related to pension liability	992,906
Net Position:	
Net investment in capital assets	416,428
Unrestricted	(702,019)
Total Net Position	$ (285,591)

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

The Charter School of Excellence, Inc. #5271 Davie 1 Campus (A charter school under The Charter School of Excellence, Inc.)

Statement of Activities
For the year ended June 30, 2026

FUNCTIONS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
Instruction	$ 1,394,368	$ -	$ 153,883	$ -	$ (1,240,485)
Student support services	103,562	-	-	-	(103,562)
Instruction and curriculum development	70,886	-	-	-	(70,886)
Instructional staff training	12,100	-	-	-	(12,100)
Board	55,357	-	-	-	(55,357)
School administration	451,090	-	-	-	(451,090)
Fiscal services	202,413	-	-	-	(202,413)
Food services	153,164	8,500	118,774	-	(25,890)
Central services	23,347	-	-	-	(23,347)
Pupil transportation services	183,844	-	-	-	(183,844)
Operation of plant	771,476	-	-	279,004	(492,472)
Maintenance of plant	50,214	-	-	-	(50,214)
Administrative technology services	49,635	-	-	-	(49,635)
Community services	-	19,206	-	-	19,206
Debt service	40,997	-	-	-	(40,997)
Total governmental activities	3,562,453	27,706	272,657	279,004	(2,983,086)
General revenues:					
State and local sources					2,891,419
Interest income					94,470
Other revenues					71,479
Transfer of deficit net position, CSE Ft. Lauderdale #5031					(1,108,428)
Change in net position					(1,034,146)
Net position, beginning					748,555
Net position, ending					$ (285,591)

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

The Charter School of Excellence, Inc. #5271 Davie 1 Campus (A charter school under The Charter School of Excellence, Inc.)

Balance Sheet - Governmental Funds
June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Funds	Total Governmental Funds
Assets				
Cash	$ 72,556	$ 45,730	$ -	$ 118,286
Investments	754,500	-	-	754,500
Due from other agencies	537,984	-	13,768	551,752
Prepaid expenses and other current assets	7,444	-	-	7,444
Due from fund	13,768	-	-	13,768
Total Assets	1,386,252	45,730	13,768	1,445,750
Deferred Outflows of Resources	-	-	-	-
Liabilities				
Accounts payable and accrued expenses	102,489	-	-	102,489
Salaries and wages payable	127,704	-	-	127,704
Compensated absences	13,463	-	-	13,463
Note payable	150,000	-	-	150,000
Due to fund	-	-	13,768	13,768
Total Liabilities	393,656	-	13,768	407,424
Deferred Inflows of Resources	-	-	-	-
Fund balance				
Nonspendable	7,444	-	-	7,444
Restricted	-	11,627	-	11,627
Assigned	-	34,103	-	34,103
Unassigned	985,152	-	-	985,152
	992,596	45,730	-	1,038,326
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 1,386,252	$ 45,730	$ 13,768	$ 1,445,750

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

The Charter School of Excellence, Inc. #5271 Davie 1 Campus
(A charter school under The Charter School of Excellence, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2026

Total Fund Balance - Governmental Funds		$ 1,038,326
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the fund.		
Capital assets, depreciable and non-depreciable	1,498,953	
Accumulated depreciation	(1,058,669)	
Right-of-use lease asset	1,297,120	
Less: accumulated amortization	(916,497)	820,907
Deferred outflows of resources related to pension liability		544,982
Noncurrent liabilities, including net pension liability, are not due and payable in the current period and, therefore, are not reported in the fund.		
Net pension liability		(1,292,421)
Deferred inflows of resources		(992,906)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.		(404,479)
Total Net Position - Governmental Activities		$ (285,591)

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

The Charter School of Excellence, Inc. #5271 Davie 1 Campus
(A charter school under The Charter School of Excellence, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Funds	Total Governmental Funds
Revenues:				
State capital outlay funding	$ -	$ -	$ 156,113	$ 156,113
State passed through local	1,898,123	-	-	1,898,123
Local sources	993,296	-	122,891	1,116,187
Federal sources	-	272,657	-	272,657
Charges for services	-	8,500	-	8,500
Other revenue	165,949	19,206	-	185,155
Total Revenues	3,057,368	300,363	279,004	3,636,735
Expenditures:				
Current				
Instruction	1,476,335	152,635	-	1,628,970
Student support services	102,314	1,248	-	103,562
Instruction and curriculum development	70,886	-	-	70,886
Instructional staff training	12,100	-	-	12,100
Board	55,357	-	-	55,357
School administration	412,429	-	-	412,429
Food services	-	153,164	-	153,164
Fiscal services	202,413	-	-	202,413
Central services	23,347	-	-	23,347
Pupil transportation services	183,844	-	-	183,844
Operation of plant	524,169	-	28,381	552,550
Maintenance of plant	37,241	-	12,973	50,214
Administrative technology services	49,635	-	-	49,635
Capital Outlay:				
Other capital outlay	44,840	-	-	44,840
Debt Service:				
Repayment of lease and long-term liabilities	-	-	209,395	209,395
Interest	12,742	-	28,255	40,997
Total Expenditures	3,207,652	307,047	279,004	3,793,703
Excess (deficit) of revenues over expenditures	(150,284)	(6,684)	-	(156,968)
Other financing sources (uses)				
Transfers in (out)	(44,546)	44,546	-	-
Transfer in fund balance - CSE FTL #5031	459,436	7,401		466,837
Net change in fund balance	264,606	45,263	-	309,869
Fund Balance at beginning of year	727,990	467	-	728,457
Fund Balance at end of year	$ 992,596	$ 45,730	$ -	$ 1,038,326

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

The Charter School of Excellence, Inc. #5271 Davie 1 Campus
(A charter school under The Charter School of Excellence, Inc.)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the year ended June 30, 2026

Net Change in Fund Balance - Governmental Funds		$ 309,869
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 expense. This is the amount by which capital outlays differed from depreciation and amortization		
Capital Outlay	44,840	
Capital and right-of-use assets (transferred in)	158,355	
Depreciation and amortization expense	(257,587)	
Disposals	(53,236)	(107,628)
Increase in long-term receivables is an expenditure in the governmental funds, but a decrease or collections of such receivables reduces long-term assets in the statement of net position. This is the amount by which a decrease in long-term receivables exceeded advances in the current period		(679,701)
Increase in long-term liabilities is revenue in the governmental funds, but a decrease or repayment of such payables reduces liabilities in the statement of net position.		
Increase in long-term lease liabilities (transferred in	(110,864)	
Principal reductions on long-term liabilities	209,395	98,531
The changes in net pension liability and related deferred inflows and outflows are not reported in the fund statements and the net effect is to decrease net position.		287,838
Net pension liability, deferred outflows and inflows transferred in		(943,055)
Change in Net Position of Governmental Activities		$ (1,034,146)

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

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Charter School of Excellence, Inc.#5271 Davie Campus 1 (the "School"), is a component unit of the School Board of Broward County, Florida (the "District"). The Schools charter is held by The Charter School of Excellence, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of The Charter School of Excellence, Inc., which is composed of six members and also governs one other charter school. The board has determined that no component units exist that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Broward County, Florida. The current charter expires on June 30, 2028 and it can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Pembroke Pines, Florida for students from kindergarten through fifth grade. These financial statements are for the year ended June 30, 2026, when on average 231 students were enrolled for the school year.

Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

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 about the School as a whole. Any internal inter-fund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements also 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, such as food service and student activity fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants and contributions specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other state and local sources.

Note 1 – Summary of Significant Accounting Policies (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, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds:

General Fund - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Special Revenue Fund – accounts for specific revenues, such as federal funding and the federal lunch program, that are legally restricted to expenditures for particular purposes. Also, accounts for resources of the School's Internal Fund, which is used to administer monies collected in connection with school, student athletics, class, and club activities.

Capital Projects Funds – accounts for state and local capital funding as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes.

Measurement Focus and Basis of Accounting

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 Guidance*.

The government-wide statements report using the economic resources measurement focus and the full 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.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available.

Non-exchange transactions occur when the School provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, 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 liabilities of the current period. 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. Charges for services and fees are recognized when cash is collected as amounts are not measurable.

Note 1 – Summary of Significant Accounting Policies (continued)

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 principal and interest on long-term debt and compensated absences, which are reported as expenditures when due. General capital asset acquisitions are reported as expenditures in governmental funds.

Budgets and Budgetary 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 and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

Cash and Cash Equivalents
Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/savings accounts. The School has not adopted a formal deposit policy that limits the School's allowable deposits and address specific types of risk; however the School maintains deposits in highly rated financial institutions.

Investments
The School has adopted a formal investment policy that permits the investment of surplus funds, subject to Board approval, in cash and cash equivalents, various U.S. government securities including treasury bills, treasury notes, bonds, or notes issued by government agencies, money market mutual funds, certificates of deposit, government-sponsored investment vehicles, and short-term notes of Florida Charter Schools.

The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, Fair Value Measurement and Application, and other related standards which establish accounting and financial reporting standards for all investments (see Note 2).

Capital Assets
The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of $1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method.

Note 1 – Summary of Significant Accounting Policies (continued)

When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide financial statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds.

The right to use assets are 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 assets are amortized on a straight-line basis over the life of the related lease.

Estimated useful lives, in years, for depreciable assets are as follows:

Right-of-use asset (building and equipment)	3–5 Years
Improvements	5 - 7 Years
Furniture, Fixtures and Equipment	5 - 10 Years

Prepaid Expenses and Other Assets
Other assets consist mainly of prepaid expenses which are payments for goods or services that have not been consumed or used at year end. The expenditure will be recorded when the asset is used. Accordingly, prepaid expenses are equally offset by a nonspendable fund balance classification.

Inter-fund Transfers
Interfund receivables/payables are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Due from Other Governments or Agencies
Amounts due to the School by other governments or agencies relate to grants or programs for which the services have been provided by the School.

Compensated Absences
GASB Statement No. 101, Compensated Absences, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability that has not been used, generally using an employee's pay rate as of the date of the financial statements.

Full time employees of the School, after 30 days of employment, are entitled to be paid for eight or ten days of sick leave in each calendar year, depending on whether they are ten or twelve month employees, respectively. In the event of termination, each qualifying employee is not entitled to receive payment for accumulated unused sick days.

Note 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences (continued)
Each full-time twelve-month employee is entitled to annual paid vacation leave, which is accrued when earned. The amount of paid vacation time ranges from five days after one-year employment to fifteen days after ten years employment. In the event of termination, each qualifying employee is entitled to receive payment equal to one hundred percent of the value of the total accumulated unused vacation days. The compensated absences liability includes an accrual for the awarded vacation time for services already rendered.

The School also provides certain days to be used for specific personal matters such as bereavement 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.

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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School's items that qualify for reporting in this category are related to participation in the pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School's items that qualify for reporting in this category are related to participation in the pension plan.

Net Pension Liability
As a participating employer in the Florida Retirement System, the School recognizes its proportionate share of the collective net pension liabilities of the Florida Retirement System (FRS) cost-sharing multiple-employer defined benefit plans. Additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the FRS.

The School's retirement plans and related amounts are described in a subsequent note.

Revenue Sources
Revenues for current operations are received primarily from State through the District 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 District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

Note 1 – Summary of Significant Accounting Policies (continued)

After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made. In addition, the School receives a portion of the local operating millage revenues levied by the District ("Secure the Next Generation Referendum").

In addition, the School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District. In addition, the School may receive a portion of the local capital improvement tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards 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. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Net Position and Fund Balance Classification

Government-wide financial statements

Equity is classified as net position and displayed in three components:

a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and amortization reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
b) Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for a specific purpose, it is the School's policy to use restricted resources first, until exhausted, before using unrestricted resources.

Fund financial statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions,* defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

Note 1 – Summary of Significant Accounting Policies (continued)

GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of 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). All nonspendable fund balances at year end relate to not in spendable form assets.
b) 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. Restricted fund balances at year end pertain to the national school lunch program.
c) 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. There are no committed fund balances at year end.
d) Assigned - fund balance classification that is 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. Assigned fund balances at year end pertain to the School's internal account.
e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Income Taxes

The Charter School of Excellence, Inc. qualifies as a tax-exempt organization under 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

Note 1 – Summary of Significant Accounting Policies (continued)

New Accounting Standard Adopted

In fiscal year 2026, the School adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. Statement No. 103 requirements updates reporting requirements and changes to MD&A, unusual/infrequent items, proprietary fund presentation, major component units, budgetary comparison information and statistical information. The adoption of this statement did not have a material impact on the School's financial statements. This statement was applied prospectively.

In fiscal year 2026, the School adopted GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. Statement No. 104 requires certain capital assets to be separately identified within the capital asset footnote. This includes lease assets by major class of underlying asset and other specified categories of capital assets. It also establishes accounting and disclosure requirements for capital assets held for sale. The adoption of this statement did not have a material impact on the School's financial statements. This statement was applied prospectively.

Pronouncements Issued But Not Yet Effective

The GASB issued GASB Statement No. 105, *Subsequent Events*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

The School is currently evaluating the effect that the implementation of the new standards will have on its financial statements.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2026, which is the date the financial statements were available to be issued.

Note 2 – Deposits and Credit Risk

Deposits

The School maintains its cash and cash equivalents in one financial institutions. Deposits at FDIC-insured institutions are insured up to $250,000 per depositor, per financial institution. The School is a charter school under The Charter School of Excellence, Inc., which also operates another charter school. All bank accounts are opened under the account ownership of The Charter School of Excellence, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2026, there were no balances in excess of FDIC coverage.

Note 3 – Due from Other Agencies

The following is due from other agencies as of June 30, 2026:

Funding Source	
Due from Broward County Public Schools, referendum	$ 533,596
Capital Outlay	13,768
Title I	4,388
Total Due from Other Agencies, current	$ 551,752

Note 4 – Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2026:

	Balance 07/01/25	Additions / Reclassification	Retirements / Reclassification	Balance 06/30/26
Capital Assets, depreciable:				
Improvements	$ 1,099,483	$ 31,124	$ -	$ 1,130,607
Furniture, equipment and fixtures	354,630	13,716	-	368,346
Total Capital Assets, depreciable	1,454,113	44,840	-	1,498,953
Total Capital Assets	1,454,113	44,840	-	1,498,953
Less Accumulated Depreciation:				
Improvements	(755,543)	(38,661)	-	(794,204)
Furniture, equipment and fixtures	(255,864)	(8,601)	-	(264,465)
Total Accumulated Depreciation	(1,011,407)	(47,262)	-	(1,058,669)
Total Capital Assets, being depreciated, net	$ 442,706	$ (2,422)	$ -	$ 440,284
Lease Assets:				
Right of use lease asset (building)	$ 829,268	$ -	$ 340,282	$ 1,169,550
Right of use lease asset (computer equipment)	127,570	-	-	127,570
Less accumulated amortization:	(471,009)	(210,325)	(235,163)	(916,497)
Total Lease Assets being amortized, net	485,829	(210,325)	105,119	380,623
Governmental Activities Capital Assets, net	$ 928,535	$ (212,747)	$ 105,119	$ 820,907

For the fiscal year ended June 30, 2026, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	Depreciation	Amortization
School administration	$ 38,661	$ -
Operation of plant	8,601	210,325
Total Expense	$ 47,262	$ 210,325

Note 5 – Fair Value Measurements and Investments

The School follows the Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets: Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs. The School values its investment at amortized cost which approximates fair value.

At June 30, 2026, the School had $754,500 invested in a secured promissory note and mortgage on real property owned by Charter Holdings Foundation, Inc. ("Charter Holdings"). Charter Holdings is a Florida not-for profit corporation, a private foundation controlled by the School's Superintendent, and was formed for the purpose of acquiring, holding, and disposing of real property and facilities to support the School's educational mission. The investment is secured by a first-priority mortgage lien on the property and bears interest at a fixed rate of 6.5% per annum for two years, with interest-only payments and a maturity date of April 18, 2028, when the entire principal and accrued interest are due. The investment has been valued by the School as Level 3.

The following tables presents information about the Fund's investments that are measured at fair value using inputs in the fair value hierarchy as of June 30, 2026:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Secured promissory note and mortgage	$ -	$ -	$ 754,500	$ 754,500
	$ -	$ -	$ 754,500	$ 754,500

Level 3 Fair Value - Rollforward	
Beginning fair value	$ -
Purchases	754,500
Realize gain (loss) included in revenues	-
Ending fair value	$ 754,500

Note 6 – Transactions with other Divisions of The Charter School of Excellence, Inc.

The Charter School of Excellence, Inc. operates one charter school as of July 1, 2025, The Charter School of Excellence #5271 Davie Campus, The School funds administrative staff, as well as other operating expenses of The Charter School of Excellence, Inc.

The Charter School of Excellence, Inc. has entered into a lease for its administrative offices and classrooms with Charter Holdings whose Board of Directors includes the Superintendent. See Note 7.

Note 6 – Transactions with other Divisions of The Charter School of Excellence, Inc. (continued)

The following summarizes the changes in long-term receivables from The Charter School of Excellence, Inc. #5031 Fort Lauderdale 1 Campus during the year. The receivable was transferred in upon consolidation of the as part of the Fort Lauderdale 1 Campus' net position effective July 1, 2025.

	Balance 06/30/25	Increases	Decreases	Balance 06/30/26
Due from CSE, Inc. Ft. Lauderdale 1	$ 679,701	$ -	$ (679,701)	$ -
Total Long Term Receivables	$ 679,701	$ -	$ (679,701)	$ -

The current Superintendent of the School is an officer of the Florida Consortium of Public Charter Schools. From time to time the School conducts business with the Consortium.

Note 7 – Long Term Liabilities

Lease – Building

The School entered into an operating lease agreement for its Davie Campus facilities with a lease term expiring on April 16, 2023, with an option to renew for an additional five year period. The lease term was extended to June 30, 2028, with an annual rent of $128,713, to be adjusted annually based on the Consumer Price Index (CPI). The remaining terms of the lease shall remain unchanged and in full effect.

In addition, the School leases administrative offices from Charter Holdings. Effective October 1, 2022, the lease was extended up to and through June 30, 2027. Annual minimum rent under the extended lease agreement commencing on April 17, 2023 through April 16, 2027 is $4,725 a month, to be adjusted annually based on the Consumer Price Index (CPI).

The average borrowing rate was 5% which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability. At the time of the amendment, the average borrowing rate used remained consistent with the initial measurement.

Equipment Financing Agreement

In May 2025, the School entered into a lease agreement for the acquisition of certain computer equipment for a total balance of $127,570. The terms require the loan to be repaid in 48 monthly installments of $2,579.

For the year ended June 30, 2026, interest expense totaled approximately $41,000 as it relates to its lease agreements. For 2026, there were no variable and other payments in connection with the lease agreement were recorded in rent expense.

Note 7 – Long Term Liabilities (continued)

Changes in long term liabilities during the year are as follows:

	Balance 06/30/25	Transfer In Increases	Decreases	Balance 06/30/26	Amount Due within 1 Year
Lease liability (building)	$ 375,440	$ 110,864	$ (180,760)	$ 305,544	$ 180,250
Equipment financing (computer equipment)	127,570	-	(28,635)	98,935	30,705
Total Long Term Liabilities, net	$ 503,010	$ 110,864	$ (209,395)	$ 404,479	$ 210,955

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

Fiscal Year	Principal	Interest	Total
2027	$ 210,955	$ 16,956	$ 227,911
2028	158,219	7,152	165,371
2029	35,305	1,353	36,658
	$ 404,479	$ 25,461	$ 429,940

Note 8 – Service Provider

Building Hope Services, LLC a professional charter school service provider, provides accounting and finance services, including, but not limited to, maintenance of the books and records, bookkeeping, budgeting, payroll processing, monthly and quarterly and year-end financial reporting.

The agreement between the School and the service provider calls for a fee per full time equivalent (FTE) student per year. The agreement can be terminated at any time by the board with 30 day notice. During the year ended June 30, 2026, the School incurred approximately $38,000 in service fees. Building Hope Services is located at 1225 SE 2nd Avenue, Fort Lauderdale, Florida, 33316.

Note Payable

As of June 30, 2026, the School had an outstanding note payable to Building Hope. The note was issued on March 25, 2026, in the original principal amount of $150,000. The note bears interest at a rate of 6% per annum. As of June 30, 2026, the unpaid principal balance was $150,000, with no principal repayments made to date. The note matures on July 31, 2026, the note was paid in full by the maturity date. Interest accrued through June 30, 2026, totaling $1,575, has been paid.

Note 9 – Contingencies and Concentrations

Contingencies and Concentrations

The School receives substantially all of its funding from the State through the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School participates in a number of federal, state and local grants which are subject to financial and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 5% of the qualifying revenues of the School. For the year ended June 30, 2026, administrative fees withheld by the School District totaled $37,060.

The voters of Broward County approved and renewed, respectively, the Secure the Next Generation Referendum to raise/maintain teacher compensation and improve school safety and security. The current renewal is set to expire on June 30, 2027. For the year ended June 30, 2026, the School's referendum revenues for the 2026 school year were approximately $573,000 or 16% of total revenues, excluding referendum settlement payments.

Legal Contingencies

In the normal course of conducting its operations, the School occasionally becomes 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.

Note 10 – Risk Management

The School is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; administrative errors and omissions; personal injury; workers compensation and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in any of the past three fiscal years. In addition, there were no reductions in insurance coverage from those in the prior year.

Note 11 – Retirement Plans

Reporting Entity

The Florida Department of Management Services, Division of Retirement (Division), is part of the primary government of the state of Florida and is responsible for administering the Florida Retirement System Pension Plan and Other State-Administered Systems (System). The School participates in two defined benefit plans administered by the Division. The Division issues a publicly-available, audited annual comprehensive financial report (ACFR) on behalf of the System that includes financial statements, notes and required supplementary information for each of the pension plans. The System's ACFR and the actuarial valuation reports, which provide detailed information about the plans, are available on line at:
http://www.dms.myflorida.com/workforce_operations/retirement/publications.
The system's ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at: Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, or call 850-488-5706 or toll free at 877-377-1737

Defined Benefit Pension Plan

Plan Description. The School participates in the Florida Retirement System (FRS) Pension Plan and the Retiree Health Insurance Subsidy (HIS) Program. The FRS is a cost-sharing, multiple-employer, defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121 , Florida Statutes.

The HIS is a cost-sharing, multiple-employer defined benefit pension plan established to assist retired members of any State-administered retirement system in paying the costs of health insurance and administered in accordance with section 112.363, Florida Statutes. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *DROP Plan Participants* – Members of FRS who have effectively retired and continue covered employment for up to five years.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service.

Note 11 – Retirement Plans (continued)

Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits. The School had no DROP participants during fiscal 2026.

Benefits Provided.
The FRS provides a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in the School. The HIS benefit is a monthly payment to assist retirees of the state-administered retirement system in paying their health insurance costs.

A DROP, subject to provisions of Section 121.091 , Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust and accrue interest.

Contributions - The contribution rates for members are established, and may be amended, by the State of Florida. During the 2026 fiscal year, contribution rates were as follows:

	Percent of Gross Salary	
Class or Plan	Employee	Employer (A)
Florida Retirement System, Regular	3.00%	14.03%
DROP Plan Participants	0.00%	22.02%
Florida Retirement System, Reemployed Retiree	(B)	(B)

(A) Employer rates include 2.00% for the post employment health insurance supplement and 0.06% for administrative costs of the Public Employee Optional Retirement Program.
(B) Contribution rates are dependant upon the retirement class in which reemployed.

Employer contributions are recognized by the FRS in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the FRS. Employer contributions recognized by the FRS from the School were $102,706 for the FRS and $36,135 for the HIS for the year ended June 30, 2026.

Note 11 – Retirement Plans (continued)

Defined Contribution Plan. Effective July 1, 2002, the FRS Investment Plan was implemented as a defined contribution plan alternative available to all FRS members in lieu of the defined benefit plan. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The Investment Plan is funded by employer contributions that are based on salary and membership class (i.e. , regular class, reemployed retiree, etc.).

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The School had twenty nine Investment Plan participants during fiscal 2026.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The School reports a liability for its proportionate share of net pension liabilities. Net pension liabilities were measured as of June 30, 2025, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of that date. The School's proportions of the net pension liability was based on the School's actuarially determined share of contributions to the pension plans, relative to the contributions of all participating entities.

At June 30, 2026, the School reported a liability of $1,292,421 for its proportionate share of net pension liability, consisting of $793,377 for the FRS and $499,044 for the HIS. The School's proportion of the net pension liability was calculated using accrued retirement contributions for employers that were members of the FRS and HIS during fiscal years 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2025.

At June 30, 2024 and 2025, the School's proportions for FRS were 0.003808376 and 0.002124852 percent respectively; the School's proportions for HIS were 0.003243143 and 0.003877873 percent, respectively.

For the year ended June 30, 2026, the School recognized a net pension income after GASB 68 adjustments of $87,922. Employer contributions in the allocated schedules for the defined benefit plans represent contributions specific to each defined benefit plan and do not equal total blended contributions remitted by the employer. The year-to-year pension expense number is likely to be volatile.

Note 11 – Retirement Plans (continued)

At June 30, 2026, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Florida Retirement System		
Difference between expected and actual experience	$ 84,741	$ -
Changes of assumptions or other inputs	92,132	-
Net difference between projected and actual earnings on pension plan investments	-	132,462
Changes in proportion and differences between contributions recognized and proportionate share of contributions	74,668	402,872
Contributions subsequent to the measurement date	199,916	-
Total Florida Retirement System	$ 451,457	$ 535,334

	Deferred Outflows of Resources	Deferred Inflows of Resources
Health Insurance Subsidy Program		
Difference between expected and actual experience	$ 2,967	$ 788
Changes of assumptions or other inputs	4,399	120,223
Net difference between projected and actual earnings on pension plan investments	-	413
Changes in proportion and differences between contributions recognized and proportionate share of contributions	86,159	336,148
Total Health Insurance Subsidy Program	$ 93,525	$ 457,572

Contributions of $199,916 are reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for the years ended June 30, as follows:

	FRS	HIS	TOTAL
2026	$ 128,571	$ (25,161)	103,410
2027	(22,844)	(30,124)	(52,968)
2028	(34,186)	(25,363)	(59,549)
2029	(27,131)	(20,325)	(47,456)
2030	-	(13,084)	(13,084)
Total	$ 44,410	$ (114,058)	$ (69,648)

Note 11 – Retirement Plans (continued)

Actuarial Assumptions and Discount Rate – The total pension liability for FRS and HIS were determined by an actuarial valuation as of June 30, 2025, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40 percent. Payroll growth for both plans is assumed at 3.50 percent. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70 percent. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS program uses a pay-as-you-go funding structure, a municipal bond rate of 5.20 percent was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table.

The following changes in actuarial assumptions occurred in 2025 for the HIS Program:

- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.
- The assumption changes were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2025 FRS Actuarial Assumption Conference during its October 2025 meeting.
- The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

The actuarial assumptions for the FRS Pension Plan that determined the total pension liability as of June 30, 2025 were based on the results of an actuarial experience study completed in 2024 for the period June 30, 2018 through June 30, 2023.

Long-Term Expected Rate of Return – The long-term expected rate of return on Pension Plan investment was not based on historical returns, but instead on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to model the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The FRS's long-term expected rate of return assumption of 6.7% used in GASB discount rate calculations, on pension plan investments, consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20 percent, which is consistent with the 4.38 percent real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2023 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, both components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice.

Note 11 – Retirement Plans (continued)

The 6.70 percent reported investment return assumption is the same as investment return assumption chosen by the 2022 FRS Actuarial Assumption Conference for funding policy purposes.

The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic (Geometric) Return	Compund Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.20%	3.20%	1.10%
Fixed income	29.0%	5.50%	5.40%	4.00%
Global equity	45.0%	8.50%	6.90%	18.30%
Real estate	12.0%	8.40%	7.10%	16.80%
Private equity	11.0%	12.40%	8.80%	28.40%
Strategic investments	2.0%	6.50%	6.10%	8.70%
Total	100.0%			
Assumed Inflation - Mean			2.40%	1.50%

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00 percent higher or 1.00 percent lower than the current discount rate at June 30, 2025.

School's proportionate share of the:	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
FRS Net Pension Liability	1,556,990	793,377	153,175

	1% Decrease (4.2%)	Current Discount Rate (5.2%)	1% Increase (6.2%)
HIS Net Pension Liability	468,860	497,044	362,299

Note 11 – Interfund Transfers

Interfund transfers in governmental funds as of June 30, 2026, consist of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund
To fund lunch deficit	$ (25,890)	$ 25,890	$ -
To reimburse the special revenue fund for prior period expenditures	(18,656)	18,656	-
Total Transfers, net	$ (44,546)	$ 44,546	$ -
Due to General Fund from Capital Projects Fund for capital outlay	$ 13,768	$ -	$ (13,768)
Total Due from/(Due to)	$ 13,768	$ -	$ (13,768)

Note 12 – Consolidation with Another Charter School

Effective for the 2025-2026 school year, the District approved a charter school consolidation of the School with Charter School of Excellence – Fort Lauderdale consolidating both charter contracts into a single school and charter contract d/b/a Charter School of Excellence – Davie 5271 serving students in grades kindergarten through fifth grade and located at 2801 N University Drive, Pembroke Pines, Florida. The amended charter contract is through June 30, 2028. The following table shows the assets, liabilities and net position of Charter School of Excellence – Fort Lauderdale that were transferred to the School effective July 1, 2025.

	Carrying Values
Cash	$ 518,137
Other current assets	23,672
Capital and right of use assets, net	158,355
Total Assets	700,164
Deferred outflows of resources	310,883
Accounts payable and accrued liabilities	74,972
Loans and capital lease obligations payable	110,864
Due to Charter School of Excellence, Inc. - Davie Campus	679,701
Net pension liability	1,018,016
Total Liabilities	1,883,553
Deferred inflows of resources	235,922
Net Position of transferred charter operations:	
Total Net Position	$ (1,108,428)

REQUIRED SUPPLEMENTARY INFORMATION

The Charter School of Excellence #5271 Davie Campus
(A charter school under The Charter School of Excellence, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2026

	General Fund				
	Original Budget	Final Budget	Actual	Original to Final Variance	Final to Actual Variance
REVENUES					
State passed through local	$ 3,264,629	$ 1,898,123	$ 1,898,123	$ (1,366,506)	$ -
Local sources	801,099	993,296	993,296	192,197	-
Other revenue	27,048	165,949	165,949	138,901	-
Total Revenues	4,092,776	3,057,368	3,057,368	(1,035,408)	-
EXPENDITURES					
Current:					
Instruction	1,902,547	1,476,335	1,476,335	(426,212)	-
Student support services	191,958	102,314	102,314	(89,644)	-
Instruction and curriculum development	71,000	70,886	70,886	(114)	-
Instructional staff training	12,000	12,100	12,100	100	-
Board	75,000	55,357	55,357	(19,643)	-
School administration	788,417	412,429	412,429	(375,988)	-
Fiscal services	139,957	202,413	202,413	62,456	-
Central services	25,000	23,347	23,347	(1,653)	-
Pupil transportation services	190,000	183,844	183,844	(6,156)	-
Operation of plant	499,269	524,169	524,169	24,900	-
Maintenance of plant	38,000	37,241	37,241	(759)	-
Administrative technology services	50,000	49,635	49,635	(365)	-
Total Current Expenditures	3,983,148	3,150,070	3,150,070	(833,078)	-
Excess (Deficit) of Revenues Over Current Expenditures	109,628	(92,702)	(92,702)	(202,330)	-
Interest expense	12,000	12,000	12,742	-	742
Capital Outlay	-	44,840	44,840	44,840	-
Total Capital Outlay and Debt Service Expenditures	-	56,840	57,582	56,840	742
Total Expenditures	3,983,148	3,206,910	3,207,652	(776,238)	742
Excess (Deficit) of Revenues Over Expenditures	109,628	(149,542)	(150,284)	(259,170)	(742)
Other financing sources (uses):					
Transfers in (out)	-	(44,546)	(44,546)	(44,546)	-
Transfer in of fund balance from CSE, Inc. FTL	-	459,436	459,436	459,436	-
Net change in fund balance	109,628	265,348	264,606	155,720	(742)
Fund Balance at beginning of year	727,990	727,990	727,990	-	-
Fund Balance at end of year	$ 837,618	$ 993,338	$ 992,596	$ 155,720	$ (742)

See accompanying notes to budgetary comparison schedules

The Charter School of Excellence #5271 Davie Campus
(A charter school under The Charter School of Excellence, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2026

	Special Revenue Fund				
	Original Budget	Final Budget	Actual	Original to Final Variance	Final to Actual Variance
REVENUES					
Federal sources	$ 299,144	$ 272,657	$ 272,657	$ (26,487)	$ -
Charges for services	-	8,500	8,500	8,500	-
Other revenue	-	19,206	19,206	19,206	-
Total Revenues	299,144	300,363	300,363	1,219	-
EXPENDITURES					
Current:					
Instruction	138,093	152,635	152,635	14,542	-
Student support services	1,500	1,500	1,248	-	(252)
Food services	161,051	153,164	153,164	(7,887)	-
Total Current Expenditures	300,644	307,299	307,047	6,655	(252)
Excess (Deficit) of Revenues Over Current Expenditures	(1,500)	(6,936)	(6,684)	(5,436)	252
Total Expenditures	300,644	307,299	307,047	6,655	(252)
Excess (Deficit) of Revenues Over Expenditures	(1,500)	(6,936)	(6,684)	(5,436)	252
Transfers in (out)	1,500	44,546	44,546	43,046	-
Transfer in of fund balance from CSE, Inc. FTL	-	7,401	7,401	7,401	-
Net change in fund balance	-	45,011	45,263	45,011	(252)
Fund Balance at beginning of year	467	467	467	-	-
Fund Balance at end of year	$ 467	$ 45,478	$ 45,730	$ 45,011	$ 252

See accompanying notes to budgetary comparison schedules

Note 1 – Budgets and Budgetary Accounting

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. The original budget and any subsequent amendments are approved by the Board of Directors.

Note 2 – Variances

Original to Final

- State passed through local – State passed through local was less due to lower anticipated student count.
- Local sources and Other revenue - Local sources and other revenue were higher due to those funds are dependent of tax collected from the county.
- Instruction, Student support services and School administration – decreased due to not all positions were filled once the school determined they would not meet enrollment goals and less anticipated enrollment.

The Charter School of Excellence, Inc. #5271 Davie 1 Campus
(A charter school under The Charter School of Excellence, Inc.)

Required Supplementary Information
Schedule of the School's Proportionate Share of the Net Pension Liability
Florida Retirement System
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School's proportion of the net pension liability (asset)	0.003808376%	0.002124852%	0.001981136%	0.001779266%	0.002312793%	0.003153652%	0.002460791%	0.001686331%	0.001468793%	0.001589406%
School's proportionate share of the net pension liability (asset)	$ 793,377	$ 821,993	$ 789,420	$ 662,031	$ 174,705	$ 1,366,839	$ 847,482	$ 507,932	$ 434,459	$ 401,326
School's covered-employee payroll	$ 1,479,759	$ 1,114,643	$ 1,201,519	$ 1,126,763	$ 953,771	$ 1,187,741	$ 1,516,641	$ 950,124	$ 831,724	$ 807,699
School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.62%	73.74%	65.70%	58.76%	18.32%	115.08%	55.88%	53.46%	52.24%	49.69%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

* The amounts presented for each fiscal year were determined as of 6/30.
There are no factors that have had a significant effect on amounts reported.

The Charter School of Excellence, Inc. #5271 Davie 1 Campus (A charter school under The Charter School of Excellence, Inc.)

Required Supplementary Information
Schedule of the School's Contributions
Florida Retirement System
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 152,633	$ 120,323	$ 95,305	$ 75,925	$ 88,107	$ 104,782	$ 76,302	$ 48,059	$ 38,236	$ 38,760
Contributions in relation to the contractually required contribution	(152,633)	(120,323)	(95,305)	(75,925)	(88,107)	(104,782)	(76,302)	(48,059)	(38,236)	(38,760)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered-employee payroll	$ 1,479,759	$ 1,114,643	$ 1,201,519	$ 1,126,763	$ 953,771	$ 1,187,741	$ 1,516,641	$ 950,124	$ 831,724	$ 807,699
Contributions as a percentage of covered-emloyee payroll	10.31%	10.79%	7.93%	6.74%	9.24%	8.82%	5.03%	5.06%	4.60%	4.80%

* The amounts presented for each fiscal year were determined as of 6/30.
There are no factors that have had a significant effect on amounts reported.

The Charter School of Excellence #5271 Davie Campus
(A charter school under The Charter School of Excellence, Inc.)

Required Supplementary Information
Schedule of the School's Proportionate Share of the Net Pension Liability
Health Insurance Subsidy Program
Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
School's proportion of the net pension liability (asset)	0.003877873%	0.003243143%	0.002844111%	0.002562094%	0.003355032%	0.004364682%	0.003670765%	0.002908991%	0.002609312%	0.002616358%
School's proportionate share of the net pension liability (asset)	$ 497,044	$ 486,503	$ 451,683	$ 271,367	$ 411,545	$ 532,921	$ 410,722	$ 307,891	$ 279,000	$ 304,926
School's covered-employee payroll	$ 1,479,759	$ 1,114,643	$ 1,201,519	$ 1,126,763	$ 953,771	$ 1,187,741	$ 1,516,641	$ 950,124	$ 831,724	$ 807,699
School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	33.59%	43.65%	37.59%	24.08%	43.15%	44.87%	27.08%	32.41%	33.54%	37.75%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

* The amounts presented for each fiscal year were determined as of 6/30.
There are no factors that have had a significant effect on amounts reported.

The Charter School of Excellence, Inc. #5271 Davie 1 Campus (A charter school under The Charter School of Excellence, Inc.)

Required Supplementary Information
Schedule of the School's Contributions
Florida Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 34,659	$ 27,457	$ 18,709	$ 15,503	$ 19,721	$ 25,152	$ 20,383	$ 15,776	$ 13,809	$ 13,411
Contributions in relation to the contractually required contribution	(34,659)	(27,457)	(18,709)	(15,503)	(19,721)	(25,152)	(20,383)	(15,776)	(13,809)	(13,411)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's covered-employee payroll	$ 1,479,759	$ 1,114,643	$ 1,201,519	$ 1,126,763	$ 953,771	$ 1,187,741	$ 1,516,641	$ 950,124	$ 831,724	$ 807,699
Contributions as a percentage of covered-emloyee payroll	2.34%	2.46%	1.56%	1.38%	2.07%	2.12%	1.34%	1.66%	1.66%	1.66%

* The amounts presented for each fiscal year were determined as of 6/30.
There are no factors that have had a significant effect on amounts reported.

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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
The Charter School of Excellence #5271 Davie Campus
Pembroke Pines, 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 (the "School") as of, and for the year ended June 30, 2026, 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, 2026.

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. 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 to be 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 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*.

We issued a separate management letter pursuant to Chapter 10.850, Rules of the Auditor General dated September 30, 2026.

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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

To the Board of Directors of
The Charter School of Excellence #5271 Davie Campus
Pembroke Pines, Florida

Report on the Financial Statements

We have audited the financial statements of The Charter School of Excellence #5271 Davie Campus , Florida, as of and for the year ended June 30, 2026 and have issued our report thereon dated September 30, 2026.

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 Auditors' 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 those reports and schedules, which are dated September 30, 2026, 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 financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires 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 school code assigned by the Florida Department of education of the entity is The Charter School of Excellence #5271 Davie Campus, 5271.

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 Charter School of Excellence #5271 Davie Campus has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that The Charter School of Excellence #5271 Davie Campus 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 Charter School of Excellence #5271 Davie Campus. It is management's responsibility to monitor The Charter School of Excellence #5271 Davie Campus's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Transparency

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to report the results of our determination as to whether The Charter School of Excellence #5271 Davie Campus 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 Charter School of Excellence #5271 Davie Campus maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that have occurred, or are likely to have occurred, that has 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 do not have any such recommendations.

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 Florida House of Representatives, the Florida Auditor General, School Board of Broward County, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026