

# Keys Gate Charter School

A Department of the Florida Charter Educational  
Foundation, Inc.

Basic Financial Statements  
For the Year Ended June 30, 2026

## Keys Gate Charter School

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Keys Gate Charter School  
Homestead, 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 Keys Gate Charter School (the "School"), a Department of the Florida Charter Educational Foundation, Inc., 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 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 School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter

As discussed in Note 1, the financial statements of the School are intended to present the financial position and changes in financial position of only that portion of the governmental activities and each major fund of The Florida Charter Educational Foundation, Inc. that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of The Florida Charter Educational Foundation, Inc. as of June 30, 2026, or its changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## Responsibilities of Management for the Financial Statements

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

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

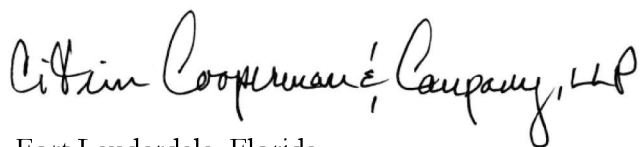
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and the budgetary comparison information on pages 25 through 27 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 GAAS, 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 14, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Fort Lauderdale, Florida  
September 14, 2026

# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Keys Gate Charter School (the "School"), a Department of The Florida Charter Educational Foundation, Inc., we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the years ended June 30, 2026 and 2025.

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

### **Financial Highlights**

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

- As of June 30, 2026, the School's governmental fund balances were \$ 7,506,789 as compared to \$ 8,118,813 as of June 30, 2025.
- As of June 30, 2026, the School had a net position of \$ 8,684,155 as compared to a net position of \$ 8,874,933 as of June 30, 2025.

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

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

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

The statement of net position presents information on all of the School's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the components reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

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

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

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

## Overview of the Financial Statements (continued)

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

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

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

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

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

The governmental funds financial statements can be found on pages 11 through 14 of this report.

**Notes to Financial Statements:** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 15 through 24 of this report.

## Financial Summary and Detailed Analysis

### Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of financial position. In the case of the School, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 8,684,155 at the close of the most recent fiscal year.

**Government-Wide Financial Analysis (continued)**

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

| Keys Gate Charter School<br>Net Position |                     |                     |                     |
|------------------------------------------|---------------------|---------------------|---------------------|
|                                          | June 30,<br>2026    | June 30,<br>2025    | Variance            |
| Assets:                                  |                     |                     |                     |
| Current and other assets                 | \$ 8,552,254        | \$ 10,151,306       | \$ (1,599,052)      |
| Capital assets, net                      | <u>16,474,879</u>   | <u>17,109,875</u>   | <u>(634,996)</u>    |
| Total assets                             | <u>25,027,133</u>   | <u>27,261,181</u>   | <u>(2,234,048)</u>  |
| Liabilities:                             |                     |                     |                     |
| Other liabilities                        | 1,073,571           | 2,060,855           | (987,284)           |
| Long-term liabilities                    | <u>15,269,407</u>   | <u>16,325,393</u>   | <u>(1,055,986)</u>  |
| Total liabilities                        | <u>16,342,978</u>   | <u>18,386,248</u>   | <u>(2,043,270)</u>  |
| Net Position:                            |                     |                     |                     |
| Net investment in capital assets         | 1,255,870           | 824,480             | 431,390             |
| Restricted                               | 229,571             | 188,539             | 41,032              |
| Unrestricted                             | <u>7,198,714</u>    | <u>7,861,914</u>    | <u>(663,200)</u>    |
| Total net position                       | <u>\$ 8,684,155</u> | <u>\$ 8,874,933</u> | <u>\$ (190,778)</u> |

Current and other assets decreased mainly due to a decrease in due from other governments, which contained a referendum revenue receivable of nearly \$ 2.7 million at the end of the prior year. Capital assets, net of depreciation, decreased mainly due to the current year depreciation and amortization expense of \$ 1,717,326 offset by purchase of new assets of \$ 1,082,330 for school improvements, furniture, fixtures and equipment, and computer equipment. Other liabilities decreased primarily due to the School paying down of the balance due to the management company. Non-current liabilities decreased due to principal payments made on the School's lease payable, net of \$ 189,656 in proceeds from the issuance of a new note payable.

**Governmental Activities:** The School's overall net position decreased by \$ 190,778 from the prior fiscal year. The reasons for this overall decrease are discussed in the following section for governmental activities.

| Keys Gate Charter School<br>Change in Net Position |                                |                                |                    |
|----------------------------------------------------|--------------------------------|--------------------------------|--------------------|
|                                                    | Year Ended<br>June 30,<br>2026 | Year Ended<br>June 30,<br>2025 | Variance           |
| Revenues:                                          |                                |                                |                    |
| Program revenues:                                  |                                |                                |                    |
| Charges for services                               | \$ 175,883                     | \$ 162,794                     | \$ 13,089          |
| Operating grants and contributions                 | 1,722,476                      | 3,967,059                      | (2,244,583)        |
| Capital grants and contributions                   | 2,802,583                      | 2,157,478                      | 645,105            |
| General revenues:                                  |                                |                                |                    |
| FEFP and other nonspecific revenues                | 19,319,075                     | 24,759,410                     | (5,440,335)        |
| Interest income                                    | 253,729                        | 283,339                        | (29,610)           |
| Miscellaneous income                               | <u>35,314</u>                  | <u>19,054</u>                  | <u>16,260</u>      |
| Total revenues                                     | <u>24,309,060</u>              | <u>31,349,134</u>              | <u>(7,040,074)</u> |

**Governmental Activities (continued)**

| Keys Gate Charter School<br>Change in Net Position (continued) |                                |                                |                     |
|----------------------------------------------------------------|--------------------------------|--------------------------------|---------------------|
|                                                                | Year Ended<br>June 30,<br>2026 | Year Ended<br>June 30,<br>2025 | Variance            |
| Functions/Program Expenses:                                    |                                |                                |                     |
| Instruction                                                    | 9,846,620                      | 9,299,965                      | 546,655             |
| Student support services                                       | 354,704                        | 1,690,585                      | (1,335,881)         |
| Instructional staff training services                          | 13,675                         | 30,429                         | (16,754)            |
| Instruction-related technology                                 | 697,871                        | 335,061                        | 362,810             |
| Board services                                                 | 100,978                        | 123,033                        | (22,055)            |
| General administration                                         | 1,185                          | -                              | 1,185               |
| School administration                                          | 1,515,771                      | 1,395,104                      | 120,667             |
| Fiscal services                                                | 4,352,476                      | 4,327,632                      | 24,844              |
| Food services                                                  | 963,046                        | 928,815                        | 34,231              |
| Central services                                               | 210,282                        | 146,402                        | 63,880              |
| Transportation services                                        | 557,385                        | 498,330                        | 59,055              |
| Operation of plant                                             | 4,295,266                      | 4,017,305                      | 277,961             |
| Maintenance of plant                                           | 546,102                        | 524,278                        | 21,824              |
| Administrative technology services                             | 46,435                         | -                              | 46,435              |
| Community services                                             | 197,786                        | 211,376                        | (13,590)            |
| Extracurricular activities                                     | 182,872                        | 396,583                        | (213,711)           |
| Interest on long-term debt                                     | 617,384                        | 650,796                        | (33,412)            |
| Total expenses                                                 | <u>24,499,838</u>              | <u>24,575,694</u>              | <u>(75,856)</u>     |
| Change in net position                                         | (190,778)                      | 6,773,440                      | (6,964,218)         |
| Net position-beginning                                         | <u>8,874,933</u>               | <u>2,101,493</u>               | <u>6,773,440</u>    |
| Net position-ending                                            | <u>\$ 8,684,155</u>            | <u>\$ 8,874,933</u>            | <u>\$ (190,778)</u> |

Capital grants and contributions increased from a rise in local capital improvement revenues and local revenue, and operating grants and contributions decreased approximately \$ 2.3 million primarily due to ESSER III lapsing in the prior year. General revenues decreased due to a significant decline in referendum revenues. Total expenses decreased due to a significant decline in student support service costs, partially offset by increases in instruction, instruction-related technology, school administration and operation of plant associated with payroll and contracted services.

**Financial Analysis of Governmental Funds**

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 7,205,569, while total fund balance decreased to \$ 7,277,218. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 34.47% of total General Fund expenditures, while total fund balance represents 34.82% of that same amount.

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

The fund balance of the School's General Fund decreased by \$ 653,056 during the current fiscal year. The decrease was mainly due to the decrease in referendum funding.

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

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

The Club and Activities Fund experienced an increase in fund balance during the current fiscal year due to extracurricular revenue exceeding related activity expenditures.

### **Significant Capital Assets and Long-Term Financing Activity**

**Capital Assets:** At June 30, 2026, the School had capital assets of \$ 16,474,879, net of accumulated depreciation and amortization, as compared to \$ 17,109,875 at June 30, 2025, invested in lease assets, computers, furniture, fixtures and equipment and leasehold improvements. Major capital assets additions for the year included \$ 1,082,330 for school improvements, furniture, fixtures and equipment, and computer equipment. Additional information on the School's capital assets can be found in Note 7 of this report.

**Debt:** At June 30, 2026, the School had outstanding debt of \$ 15,219,009 as compared to \$ 16,285,395 at June 30, 2025. The decrease is a result of scheduled principal payments in accordance with the required debt service schedules, net of \$ 189,656 in proceeds from the issuance of a new note payable. Additional information on the School's debt can be found in Notes 8 through 10 of this report.

### **Currently Known Facts, Decisions, or Conditions**

In fiscal year 2026, the state of Florida continued to include a teacher salary increase allocation of \$ 1.36 billion. The capital outlay funding pool was \$ 231 million.

For fiscal year 2027, the funding for teacher salaries and other instructional personnel will be \$ 1.56 billion. Additionally, the state of Florida approved an increase to the base funding allocation and capital outlay. A 2% merit increase for all staff was included in the budget. All other expenditures are budgeted in alignment with the enrollment changes and the School's strategic objectives.

### **Requests for Information**

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

# BASIC FINANCIAL STATEMENTS

**Keys Gate Charter School**  
**Statement of Net Position**  
**June 30, 2026**

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|                                                                                                   | <b>Governmental<br/>Activities</b> |
|---------------------------------------------------------------------------------------------------|------------------------------------|
| <b>Current Assets:</b>                                                                            |                                    |
| Cash and cash equivalents                                                                         | \$ 8,109,473                       |
| Other receivables                                                                                 | 164,624                            |
| Due from other governments                                                                        | 206,338                            |
| Due from related party                                                                            | 170                                |
| Prepaid items                                                                                     | <u>71,649</u>                      |
| Total current assets                                                                              | 8,552,254                          |
| <b>Noncurrent Assets:</b>                                                                         |                                    |
| Capital assets (depreciable and amortizable), net of<br>accumulated depreciation and amortization | <u>16,474,879</u>                  |
| Total assets                                                                                      | <u>25,027,133</u>                  |
| <b>Current Liabilities:</b>                                                                       |                                    |
| Accounts payable and accrued expenses                                                             | 241,018                            |
| Salaries and wages payable                                                                        | 520,411                            |
| Due to other school                                                                               | 173,542                            |
| Due to related party                                                                              | 1,898                              |
| Due to management company                                                                         | 108,596                            |
| Accrued interest payable                                                                          | 28,106                             |
| Compensated absences                                                                              | 37,799                             |
| Note payable                                                                                      | 62,033                             |
| Lease payable                                                                                     | <u>1,261,603</u>                   |
| Total current liabilities                                                                         | <u>2,435,006</u>                   |
| <b>Noncurrent Liabilities:</b>                                                                    |                                    |
| Compensated absences                                                                              | 12,599                             |
| Note payable                                                                                      | 63,211                             |
| Lease payable                                                                                     | <u>13,832,162</u>                  |
| Total noncurrent liabilities                                                                      | <u>13,907,972</u>                  |
| Total liabilities                                                                                 | <u>16,342,978</u>                  |
| <b>Net Position:</b>                                                                              |                                    |
| Net investment in capital assets                                                                  | 1,255,870                          |
| Restricted for extracurricular activities                                                         | 229,571                            |
| Unrestricted                                                                                      | <u>7,198,714</u>                   |
| Total net position                                                                                | \$ <u><u>8,684,155</u></u>         |

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

**Keys Gate Charter School**  
**Statement of Activities**  
**For the Year Ended June 30, 2026**

|                                       |               | Program Revenues     |                                    |                                  | Governmental Activities                                    |
|---------------------------------------|---------------|----------------------|------------------------------------|----------------------------------|------------------------------------------------------------|
|                                       |               | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net Revenue (Expense) and Change in Net Position (Deficit) |
|                                       | Expenses      |                      |                                    |                                  |                                                            |
| <b>Functions/Programs:</b>            |               |                      |                                    |                                  |                                                            |
| Instruction                           | \$ 9,846,620  | \$ -                 | \$ 188,192                         | \$ -                             | \$ (9,658,428)                                             |
| Student support services              | 354,704       | -                    | -                                  | -                                | (354,704)                                                  |
| Instructional staff training services | 13,675        | -                    | 3,756                              | -                                | (9,919)                                                    |
| Instruction-related technology        | 697,871       | -                    | -                                  | -                                | (697,871)                                                  |
| Board services                        | 100,978       | -                    | -                                  | -                                | (100,978)                                                  |
| General administration                | 1,185         | -                    | -                                  | -                                | (1,185)                                                    |
| School administration                 | 1,515,771     | -                    | -                                  | -                                | (1,515,771)                                                |
| Fiscal services                       | 4,352,476     | -                    | -                                  | -                                | (4,352,476)                                                |
| Food services                         | 963,046       | 95,381               | 1,016,139                          | -                                | 148,474                                                    |
| Central services                      | 210,282       | -                    | -                                  | -                                | (210,282)                                                  |
| Transportation services               | 557,385       | -                    | 94,308                             | -                                | (463,077)                                                  |
| Operation of plant                    | 4,295,266     | -                    | -                                  | 2,184,943                        | (2,110,323)                                                |
| Maintenance of plant                  | 546,102       | -                    | -                                  | -                                | (546,102)                                                  |
| Administrative technology services    | 46,435        | -                    | -                                  | -                                | (46,435)                                                   |
| Community services                    | 197,786       | 80,502               | 197,365                            | -                                | 80,081                                                     |
| Extracurricular activities            | 182,872       | -                    | 222,716                            | -                                | 39,844                                                     |
| Interest on long-term debt            | 617,384       | -                    | -                                  | 617,640                          | 256                                                        |
| Total governmental activities         | \$ 24,499,838 | \$ 175,883           | \$ 1,722,476                       | \$ 2,802,583                     | (19,798,896)                                               |
| General revenues:                     |               |                      |                                    |                                  |                                                            |
|                                       |               |                      |                                    |                                  | 19,319,075                                                 |
| FEFP and other nonspecific revenues   |               |                      |                                    |                                  | 253,729                                                    |
| Interest income                       |               |                      |                                    |                                  | 35,314                                                     |
| Miscellaneous income                  |               |                      |                                    |                                  |                                                            |
| Total general revenues                |               |                      |                                    |                                  | 19,608,118                                                 |
| Change in net position                |               |                      |                                    |                                  | (190,778)                                                  |
| Net position, July 1, 2025            |               |                      |                                    |                                  | 8,874,933                                                  |
| Net position, June 30, 2026           |               |                      |                                    |                                  | \$ 8,684,155                                               |

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

**Keys Gate Charter School**  
**Balance Sheet - Governmental Funds**  
**June 30, 2026**

|                                           | <u>General<br/>Fund</u> | <u>Grants<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Club and<br/>Activities<br/>Fund</u> | <u>Total</u>        |
|-------------------------------------------|-------------------------|------------------------|--------------------------------------|-----------------------------------------|---------------------|
| <b>Assets:</b>                            |                         |                        |                                      |                                         |                     |
| Cash and cash equivalents                 | \$ 8,076,389            | \$ -                   | \$ -                                 | \$ 33,084                               | \$ 8,109,473        |
| Other receivables                         | 164,624                 | -                      | -                                    | -                                       | 164,624             |
| Due from other governments                | 40,863                  | 65,642                 | 99,833                               | -                                       | 206,338             |
| Due from related party                    | 170                     | -                      | -                                    | -                                       | 170                 |
| Due from other funds                      | 165,475                 | -                      | -                                    | 196,487                                 | 361,962             |
| Prepaid items                             | <u>71,649</u>           | <u>-</u>               | <u>-</u>                             | <u>-</u>                                | <u>71,649</u>       |
| Total assets                              | <u>\$ 8,519,170</u>     | <u>\$ 65,642</u>       | <u>\$ 99,833</u>                     | <u>\$ 229,571</u>                       | <u>\$ 8,914,216</u> |
| <b>Liabilities:</b>                       |                         |                        |                                      |                                         |                     |
| Accounts payable and<br>accrued expenses  | \$ 241,018              | \$ -                   | \$ -                                 | \$ -                                    | \$ 241,018          |
| Salaries and wages payable                | 520,411                 | -                      | -                                    | -                                       | 520,411             |
| Due to other school                       | 173,542                 | -                      | -                                    | -                                       | 173,542             |
| Due to related party                      | 1,898                   | -                      | -                                    | -                                       | 1,898               |
| Due to management company                 | 108,596                 | -                      | -                                    | -                                       | 108,596             |
| Due to other funds                        | <u>196,487</u>          | <u>65,642</u>          | <u>99,833</u>                        | <u>-</u>                                | <u>361,962</u>      |
| Total liabilities                         | <u>1,241,952</u>        | <u>65,642</u>          | <u>99,833</u>                        | <u>-</u>                                | <u>1,407,427</u>    |
| <b>Fund Balances:</b>                     |                         |                        |                                      |                                         |                     |
| Nonspendable:                             |                         |                        |                                      |                                         |                     |
| Prepaid items                             | 71,649                  | -                      | -                                    | -                                       | 71,649              |
| Restricted for extracurricular activities | -                       | -                      | -                                    | 229,571                                 | 229,571             |
| Unassigned                                | <u>7,205,569</u>        | <u>-</u>               | <u>-</u>                             | <u>-</u>                                | <u>7,205,569</u>    |
| Total fund balances                       | <u>7,277,218</u>        | <u>-</u>               | <u>-</u>                             | <u>229,571</u>                          | <u>7,506,789</u>    |
| Total liabilities<br>and fund balances    | <u>\$ 8,519,170</u>     | <u>\$ 65,642</u>       | <u>\$ 99,833</u>                     | <u>\$ 229,571</u>                       | <u>\$ 8,914,216</u> |

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

**Keys Gate Charter School**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2026**

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|                                                 |    |           |
|-------------------------------------------------|----|-----------|
| <b>Total Fund Balances - Governmental Funds</b> | \$ | 7,506,789 |
|-------------------------------------------------|----|-----------|

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

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

|                                           |    |                     |            |
|-------------------------------------------|----|---------------------|------------|
| Cost of capital assets                    | \$ | 30,348,725          |            |
| Accumulated depreciation and amortization |    | <u>(13,873,846)</u> | 16,474,879 |

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

|                          |  |                     |                     |
|--------------------------|--|---------------------|---------------------|
| Compensated absences     |  | (50,398)            |                     |
| Accrued interest payable |  | (28,106)            |                     |
| Note payable             |  | (125,244)           |                     |
| Lease payable            |  | <u>(15,093,765)</u> | <u>(15,297,513)</u> |

|                                                |    |                         |
|------------------------------------------------|----|-------------------------|
| <b>Net Position of Governmental Activities</b> | \$ | <u><u>8,684,155</u></u> |
|------------------------------------------------|----|-------------------------|

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

**Keys Gate Charter School**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Governmental Funds**  
**For the Year Ended June 30, 2026**

|                                                                 | <b>General<br/>Fund</b> | <b>Grants<br/>Fund</b> | <b>Capital<br/>Projects<br/>Fund</b> | <b>Club and<br/>Activities<br/>Fund</b> | <b>Total</b>        |
|-----------------------------------------------------------------|-------------------------|------------------------|--------------------------------------|-----------------------------------------|---------------------|
| <b>Revenues:</b>                                                |                         |                        |                                      |                                         |                     |
| Federal sources                                                 | \$ -                    | \$ 1,123,370           | \$ -                                 | \$ -                                    | \$ 1,123,370        |
| State sources                                                   | 16,152,560              | 5,541                  | 1,250,792                            | -                                       | 17,408,893          |
| Local sources                                                   | 3,375,313               | 95,381                 | 1,551,791                            | 222,716                                 | 5,245,201           |
| Interest income                                                 | 252,541                 | -                      | -                                    | 1,188                                   | 253,729             |
| Aftercare                                                       | 277,867                 | -                      | -                                    | -                                       | 277,867             |
| Total revenues                                                  | <u>20,058,281</u>       | <u>1,224,292</u>       | <u>2,802,583</u>                     | <u>223,904</u>                          | <u>24,309,060</u>   |
| <b>Expenditures:</b>                                            |                         |                        |                                      |                                         |                     |
| Current:                                                        |                         |                        |                                      |                                         |                     |
| Instruction                                                     | 9,612,021               | 109,016                | -                                    | -                                       | 9,721,037           |
| Student support services                                        | 354,704                 | -                      | -                                    | -                                       | 354,704             |
| Instructional staff training<br>services                        | 9,919                   | 3,756                  | -                                    | -                                       | 13,675              |
| Instruction-related technology                                  | 375,785                 | -                      | -                                    | -                                       | 375,785             |
| Board services                                                  | 100,978                 | -                      | -                                    | -                                       | 100,978             |
| General administration                                          | 1,185                   | -                      | -                                    | -                                       | 1,185               |
| School administration                                           | 1,515,771               | -                      | -                                    | -                                       | 1,515,771           |
| Fiscal services                                                 | 4,352,476               | -                      | -                                    | -                                       | 4,352,476           |
| Food services                                                   | -                       | 963,046                | -                                    | -                                       | 963,046             |
| Central services                                                | 210,282                 | -                      | -                                    | -                                       | 210,282             |
| Transportation services                                         | 557,385                 | -                      | -                                    | -                                       | 557,385             |
| Operation of plant                                              | 1,932,451               | 148,474                | 928,901                              | -                                       | 3,009,826           |
| Maintenance of plant                                            | 546,102                 | -                      | -                                    | -                                       | 546,102             |
| Administrative technology<br>services                           | 51,818                  | -                      | -                                    | -                                       | 51,818              |
| Community services                                              | 197,786                 | -                      | -                                    | -                                       | 197,786             |
| Extracurricular activities                                      | -                       | -                      | -                                    | 182,872                                 | 182,872             |
| Capital outlay                                                  | 1,082,330               | -                      | -                                    | -                                       | 1,082,330           |
| Debt service:                                                   |                         |                        |                                      |                                         |                     |
| Principal                                                       | -                       | -                      | 1,256,042                            | -                                       | 1,256,042           |
| Interest                                                        | -                       | -                      | 617,640                              | -                                       | 617,640             |
| Total expenditures                                              | <u>20,900,993</u>       | <u>1,224,292</u>       | <u>2,802,583</u>                     | <u>182,872</u>                          | <u>25,110,740</u>   |
| Excess (deficiency)<br>of revenues over<br>(under) expenditures | (842,712)               | -                      | -                                    | 41,032                                  | (801,680)           |
| <b>Other Financing Sources:</b>                                 |                         |                        |                                      |                                         |                     |
| Issuance of note payable                                        | <u>189,656</u>          | <u>-</u>               | <u>-</u>                             | <u>-</u>                                | <u>189,656</u>      |
| Net change in<br>fund balances                                  | (653,056)               | -                      | -                                    | 41,032                                  | (612,024)           |
| <b>Fund Balances, July 1, 2025</b>                              | <u>7,930,274</u>        | <u>-</u>               | <u>-</u>                             | <u>188,539</u>                          | <u>8,118,813</u>    |
| <b>Fund Balances, June 30, 2026</b>                             | <u>\$ 7,277,218</u>     | <u>\$ -</u>            | <u>\$ -</u>                          | <u>\$ 229,571</u>                       | <u>\$ 7,506,789</u> |

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

**Keys Gate Charter School  
Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances  
of the Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2026**

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**Net Change in Fund Balances - Governmental Funds** \$ (612,024)

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

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

|                               |                    |           |
|-------------------------------|--------------------|-----------|
| Capital outlays               | \$ 1,082,330       |           |
| Depreciation and amortization | <u>(1,717,326)</u> | (634,996) |

|                                                                                                                                                                              |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Principal payments on long-term debt are reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the statement of net position. | 1,256,042 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                             |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. | (189,656) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

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

|                                    |            |                 |
|------------------------------------|------------|-----------------|
| Change in compensated absences     | (10,400)   |                 |
| Change in accrued interest payable | <u>256</u> | <u>(10,144)</u> |

|                                                          |                            |
|----------------------------------------------------------|----------------------------|
| <b>Change in Net Position of Governmental Activities</b> | <b>\$ <u>(190,778)</u></b> |
|----------------------------------------------------------|----------------------------|

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

## Note 1 - Organization and Operations

The Florida Charter Educational Foundation, Inc. ("FCEF") was organized in October 2000 as a Florida nonprofit corporation. Keys Gate Charter School (the "School") is a Department of FCEF and is established as a charter school to serve students from kindergarten to eighth grade in Miami-Dade County. There were 1,850 students enrolled for the 2025/ 2026 school year.

The financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of FCEF as of June 30, 2026, and its changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Note 2 - Summary of Significant Accounting Policies

**Reporting entity:** The School operates under a charter granted by the sponsoring Miami-Dade County Public Schools District (the "District"). The current charter is effective until June 30, 2027. The School is currently proceeding through the charter renewal process and it is anticipated that the charter will be renewed for additional school years. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown.

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

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

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

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

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

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

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

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

The School's major governmental funds are as follows:

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

**Grants Fund** - This special revenue fund is used to account for federal grants and certain state grants that are legally restricted for specific program purposes. The fund also accounts for food service operations and related revenues and expenditures that are restricted for food service activities.

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

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

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

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

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 120 days of the end of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source.

All other revenue items are considered to be measurable and available only when cash is received by the School. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

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

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

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

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

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

|                                   |            |
|-----------------------------------|------------|
| Furniture, fixtures and equipment | 5 years    |
| Computer equipment                | 3 years    |
| Leasehold improvements            | 3-10 years |

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

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

**Deferred outflows/inflows of resources:** In addition to assets, the statement of financial net 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 assets that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net 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 assets that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

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

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

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

- Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of borrowings used for the acquisition, construction or improvement of those assets.
- Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - the residual portion of net position that does not meet the definition of the other two categories.

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

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

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

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

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

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

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

**Date of management review:** The School has evaluated subsequent events through September 14, 2026, which is the date the financial statements were available to be issued.

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

**Adoption of new accounting standards:** The School implemented GASB Statement No. 103, *Financial Reporting Model Improvements*, during the year ended June 30, 2026. The Statement revised certain financial reporting requirements, including the content and presentation of management's discussion and analysis and other financial statement presentation and disclosure requirements.

The School also implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*, which addresses obligations for governmental entities to separately disclose certain types of capital assets. Implementation did not change the presentation and related disclosures of the School.

The adoption of both standards did not affect any amounts previously reported in the School's financial statements.

## **Note 3 - Cash and Cash Equivalents**

At June 30, 2026, the carrying amount of the deposits and cash on hand totaled \$ 8,109,473 with bank balances of \$ 8,176,288.

State statutes require, and it is the School's policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the Treasurer are defined by the Statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School's deposits of \$ 7,926,288 in excess of the federal insured limit of \$ 250,000 are held in a qualified public depository and are covered by the collateral pool held in the name of the financial institution's trust department or agent, but not in the School's name.

## **Note 4 - Due From/To Related Parties**

The School is a Department of FCEF, the due from/to balances represent amounts that are due from FCEF and due to another school that shares common board membership and is a department of FCEF, which are expected to be repaid within one year.

## **Note 5 - Due To Other School**

Both the School and Keys Gate Charter High School ("KGCHS") share teachers and administrative staff, as well as operating expenses. At June 30, 2026, the financial statements include an amount due to KGCHS in the amount of \$ 173,542 for payroll expenses and other costs.

**Note 6 - Interfund Receivables and Payables**

The composition of interfund balances as of June 30, 2026, is as follows:

| Due To/From Other Funds  |                       | Amount            |
|--------------------------|-----------------------|-------------------|
| Receivable Fund          | Payable Fund          |                   |
| General Fund             | Grants Fund           | \$ 65,642         |
| General Fund             | Capital Projects Fund | 99,833            |
| Club and Activities Fund | General Fund          | <u>196,487</u>    |
|                          |                       | <u>\$ 361,962</u> |

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

**Note 7 - Capital Assets**

Capital asset balances and activity for the year ended June 30, 2026, are as follows:

|                                                               | Balance at<br>July 1,<br>2025 | Additions           | Transfers           | Balance at<br>June 30,<br>2026 |
|---------------------------------------------------------------|-------------------------------|---------------------|---------------------|--------------------------------|
| Capital assets being depreciated/<br>Construction in progress | \$ <u>103,725</u>             | \$ <u>-</u>         | \$ <u>(103,725)</u> | \$ <u>-</u>                    |
| Capital assets being depreciated/<br>amortized:               |                               |                     |                     |                                |
| Leasehold improvements                                        | 2,733,010                     | 546,795             | 103,725             | 3,383,530                      |
| Furniture, fixtures and equipment                             | 1,271,195                     | 339,892             | -                   | 1,611,087                      |
| Computer equipment                                            | 3,860,476                     | 195,643             | -                   | 4,056,119                      |
| Lease assets:                                                 |                               |                     |                     |                                |
| Building and grounds                                          | <u>21,297,989</u>             | <u>-</u>            | <u>-</u>            | <u>21,297,989</u>              |
| Total capital assets being<br>depreciated/amortized           | <u>29,162,670</u>             | <u>1,082,330</u>    | <u>103,725</u>      | <u>30,348,725</u>              |
| Accumulated depreciation/<br>amortization:                    |                               |                     |                     |                                |
| Leasehold improvements                                        | 1,288,059                     | 233,495             | -                   | 1,521,554                      |
| Furniture, fixtures and equipment                             | 1,084,381                     | 115,183             | -                   | 1,199,564                      |
| Computer equipment                                            | 3,360,678                     | 316,703             | -                   | 3,677,381                      |
| Lease assets:                                                 |                               |                     |                     |                                |
| Building and grounds                                          | <u>6,423,402</u>              | <u>1,051,945</u>    | <u>-</u>            | <u>7,475,347</u>               |
| Total accumulated depreciation/<br>amortization               | <u>12,156,520</u>             | <u>1,717,326</u>    | <u>-</u>            | <u>13,873,846</u>              |
| Net capital assets being<br>depreciated/amortized             | <u>17,006,150</u>             | <u>(634,996)</u>    | <u>103,725</u>      | <u>16,474,879</u>              |
|                                                               | <u>\$ 17,109,875</u>          | <u>\$ (634,996)</u> | <u>\$ -</u>         | <u>\$ 16,474,879</u>           |

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

Depreciation and amortization was charged to governmental activities as follows:

|                                |                     |
|--------------------------------|---------------------|
| Instruction                    | \$ 115,183          |
| Instruction related technology | 316,703             |
| Operation of plant             | <u>1,285,440</u>    |
| Total                          | <u>\$ 1,717,326</u> |

#### Note 8 - Lease Payables

The School entered into a lease agreement for the fiscal year with KGCHS, for a one year period with no option to renew, and therefore the lease is considered a short-term lease under GAAP. For the year ended June 30, 2026, the School paid \$ 849,391 in rent expense under the new lease agreement.

The School leases its main facility under an agreement which expires in July 2033. The monthly rent shall increase annually based upon the percentage change in the Consumer Price Index.

The School also has a ground lease agreement with Renaissance Charter School, Inc. which expires in September 2050.

Both of the lease agreements qualify as other than short-term leases under GAAP and, therefore, have been recorded at the present value of the future lease payments as of the implementation date of June 30, 2021.

The following is a schedule of the School's future lease payments as of June 30, 2026:

| Year Ending<br>June 30, | Principal            | Interest            | Total                |
|-------------------------|----------------------|---------------------|----------------------|
| 2027                    | \$ 1,261,603         | \$ 579,664          | \$ 1,841,267         |
| 2028                    | 1,301,661            | 539,849             | 1,841,510            |
| 2029                    | 1,342,754            | 498,751             | 1,841,505            |
| 2030                    | 1,385,200            | 456,345             | 1,841,545            |
| 2031                    | 1,428,744            | 412,382             | 1,841,126            |
| 2032-2036               | 3,733,659            | 1,500,352           | 5,234,011            |
| 2037-2041               | 1,261,837            | 1,134,104           | 2,395,941            |
| 2042-2046               | 1,614,213            | 780,794             | 2,395,007            |
| 2047-2051               | <u>1,764,094</u>     | <u>313,483</u>      | <u>2,077,577</u>     |
|                         | <u>\$ 15,093,765</u> | <u>\$ 6,215,724</u> | <u>\$ 21,309,489</u> |

#### Note 9 - Note Payable

During the year, the School entered into a note payable arrangement for the purchase of certain computer equipment. The note requires annual payments of \$ 64,412 including interest at a rate of 1.900% through September 2027.

#### Note 9 - Note Payable (continued)

The following is a schedule of the future minimum payments under the note payable agreement as of June 30, 2026:

| Year Ending<br>June 30, | Principal         | Interest        | Total             |
|-------------------------|-------------------|-----------------|-------------------|
| 2027                    | \$ 62,033         | \$ 2,379        | \$ 64,412         |
| 2028                    | 63,211            | 1,201           | 64,412            |
|                         | <u>\$ 125,244</u> | <u>\$ 3,580</u> | <u>\$ 128,824</u> |

#### Note 10 - Long-Term Liabilities

Changes in the School's long-term liabilities for fiscal year ended June 30, 2026, are as follows:

|                               | Balance<br>July 1,<br>2025 | Additions         | Deletions           | Balance<br>June 30,<br>2026 | Amount<br>Due Within<br>One Year |
|-------------------------------|----------------------------|-------------------|---------------------|-----------------------------|----------------------------------|
| Lease - buildings and grounds | \$ 16,285,395              | \$ -              | \$ 1,191,630        | \$ 15,093,765               | \$ 1,261,603                     |
| Note payable                  | -                          | 189,656           | 64,412              | 125,244                     | 62,033                           |
| Compensated absences          | <u>39,998</u>              | <u>10,400</u> *   | <u>-</u>            | <u>50,398</u>               | <u>37,799</u>                    |
|                               | <u>\$ 16,325,393</u>       | <u>\$ 200,056</u> | <u>\$ 1,256,042</u> | <u>\$ 15,269,407</u>        | <u>\$ 1,361,435</u>              |

\* The change in compensated absences above is a net change for the year.

#### Note 11 - Commitments

**Management agreement:** The School has a formal agreement with Charter Schools USA, Inc. at Keys Gate, LLC ("CSUSA") to manage, staff, and operate the School. All staff of the School are employees of CSUSA. The agreement requires the School to pay an administrative fee to CSUSA of 15% of the School's revenues as defined in the agreement or the budgeted amount approved by the Board of Directors. The term of the agreement is consistent with the term of the charter and may be renewed to correspond to charter renewals. The amount of the fee allocated to and paid by the School for the year ended June 30, 2026, was \$ 4,334,085.

The School had an amount of \$ 108,596 due to CSUSA at June 30, 2026.

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

**Note 12 - Employee Benefit Plan**

During the year ended June 30, 2026, the School offered all of its full-time employees who had attained 21 years of age, a retirement plan (the “Plan”) under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 100% of his/her annual gross compensation, subject to certain limitations. The Plan provides for a discretionary employer matching contribution of the participant’s annual elective deferral to the Plan. As determined annually by the School’s management, the School may also make a discretionary profit-sharing contribution, which is allocated among the participants based on a pro rata formula. Participants are immediately vested in their own contributions and earnings on those contributions.

Participants become vested in School contributions and earnings on School contributions according to the following schedule:

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

Nonvested contributions are forfeited upon termination of employment, and such forfeitures are used to reduce any employer contribution. For the Plan year ending December 31, 2025, the School had \$ 3,827 in forfeitures. For the year ended June 30, 2026, the School contributed a matching amount of \$ 64,233.

**Note 13 - Capital Appropriations Funding**

The Florida Department of Education has approved a Charter School Capital Outlay (“CSCO”) award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes those funds are allocated among eligible charter schools. The funds for the School’s allocation are transferred to the School once a CSCO plan has been provided to and approved by the sponsoring district. The School’s CSCO award totaled \$ 1,250,792 for the 2025/2026 school year, which has been recognized as revenue in the accompanying financial statements. If the CSCO funds are used to acquire tangible property assets, the District has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the District. The School has elected to use these funds to pay for debt service and a portion of the operation of plant expense.

Local Capital Improvement Revenue (“LCIR”) funds are also appropriated by the District for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the CSCO award. The School’s LCIR award totaled \$ 1,551,791 for the 2025/2026 school year which has been recognized as revenue in the accompanying financial statements.

**Note 14 - Risk Management**

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

As disclosed in Note 11, CSUSA employs all of the employees of the School. As a result, the School is not exposed to medical or workers’ compensation claims for these individuals. In addition, CSUSA carries all required insurance including, but not limited to, general liability and errors and omissions insurance.

## REQUIRED SUPPLEMENTARY INFORMATION

**Keys Gate Charter School**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2026**

|                                                           |    | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Original vs.<br/>Final Budget<br/>Variance</b> | <b>Actual</b>       | <b>Actual vs.<br/>Final Budget<br/>Variance</b> |
|-----------------------------------------------------------|----|----------------------------|-------------------------|---------------------------------------------------|---------------------|-------------------------------------------------|
| <b>Revenues:</b>                                          |    |                            |                         |                                                   |                     |                                                 |
| State sources                                             | \$ | 17,457,797                 | \$ 17,457,797           | \$ -                                              | \$ 16,152,560       | \$ (1,305,237)                                  |
| Local sources                                             |    | 6,162,833                  | 6,162,833               | -                                                 | 3,375,313           | (2,787,520)                                     |
| Interest income                                           |    | 266,120                    | 266,120                 | -                                                 | 252,541             | (13,579)                                        |
| Aftercare                                                 |    | <u>181,588</u>             | <u>181,588</u>          | <u>-</u>                                          | <u>277,867</u>      | <u>96,279</u>                                   |
| Total revenues                                            |    | <u>24,068,338</u>          | <u>24,068,338</u>       | <u>-</u>                                          | <u>20,058,281</u>   | <u>(4,010,057)</u>                              |
| <b>Expenditures:</b>                                      |    |                            |                         |                                                   |                     |                                                 |
| Current:                                                  |    |                            |                         |                                                   |                     |                                                 |
| Instruction                                               |    | 11,390,087                 | 11,390,087              | -                                                 | 9,612,021           | 1,778,066                                       |
| Student support services                                  |    | 333,622                    | 333,622                 | -                                                 | 354,704             | (21,082)                                        |
| Instructional staff training services                     |    | 90,860                     | 90,860                  | -                                                 | 9,919               | 80,941                                          |
| Instruction-related technology                            |    | 364,093                    | 364,093                 | -                                                 | 375,785             | (11,692)                                        |
| Board services                                            |    | 75,607                     | 75,607                  | -                                                 | 100,978             | (25,371)                                        |
| General administration                                    |    | 648                        | 648                     | -                                                 | 1,185               | (537)                                           |
| School administration                                     |    | 1,520,018                  | 1,520,018               | -                                                 | 1,515,771           | 4,247                                           |
| Fiscal services                                           |    | 4,351,166                  | 4,351,166               | -                                                 | 4,352,476           | (1,310)                                         |
| Central services                                          |    | 128,028                    | 128,028                 | -                                                 | 210,282             | (82,254)                                        |
| Transportation services                                   |    | 530,989                    | 530,989                 | -                                                 | 557,385             | (26,396)                                        |
| Operation of plant                                        |    | 1,247,655                  | 1,247,655               | -                                                 | 1,932,451           | (684,796)                                       |
| Maintenance of plant                                      |    | 517,089                    | 517,089                 | -                                                 | 546,102             | (29,013)                                        |
| Administrative technology services                        |    | -                          | -                       | -                                                 | 51,818              | (51,818)                                        |
| Community services                                        |    | 146,247                    | 146,247                 | -                                                 | 197,786             | (51,539)                                        |
| Capital outlay                                            |    | <u>938,769</u>             | <u>938,769</u>          | <u>-</u>                                          | <u>1,082,330</u>    | <u>(143,561)</u>                                |
| Total expenditures                                        |    | <u>21,634,878</u>          | <u>21,634,878</u>       | <u>-</u>                                          | <u>20,900,993</u>   | <u>733,885</u>                                  |
| Excess (deficiency) of revenues over (under) expenditures |    | 2,433,460                  | 2,433,460               | -                                                 | (842,712)           | (3,276,172)                                     |
| <b>Other Financing Sources:</b>                           |    |                            |                         |                                                   |                     |                                                 |
| Issuance of note payable                                  |    | <u>195,600</u>             | <u>195,600</u>          | <u>-</u>                                          | <u>189,656</u>      | <u>(5,944)</u>                                  |
| Net change in fund balance                                | \$ | <u>2,629,060</u>           | <u>\$ 2,629,060</u>     | <u>\$ -</u>                                       | (653,056)           | <u>\$ (3,282,116)</u>                           |
| <b>Fund Balance, July 1, 2025</b>                         |    |                            |                         |                                                   | <u>7,930,274</u>    |                                                 |
| <b>Fund Balance, June 30, 2026</b>                        |    |                            |                         |                                                   | <u>\$ 7,277,218</u> |                                                 |

See accompanying notes to budgetary comparison schedules.

**Keys Gate Charter School**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Grants Fund**  
**For the Year Ended June 30, 2026**

|                                    | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Original vs.<br/>Final Budget<br/>Variance</u> | <u>Actual</u>    | <u>Actual vs.<br/>Final Budget<br/>Variance</u> |
|------------------------------------|----------------------------|-------------------------|---------------------------------------------------|------------------|-------------------------------------------------|
| <b>Revenues:</b>                   |                            |                         |                                                   |                  |                                                 |
| Federal sources:                   |                            |                         |                                                   |                  |                                                 |
| National School Lunch Program      | \$ 1,164,552               | \$ 1,164,552            | \$ -                                              | \$ 1,010,598     | \$ (153,954)                                    |
| Comprehensive Support Grant        | -                          | -                       | -                                                 | 59,190           | 59,190                                          |
| Title I                            | 284,033                    | 284,033                 | -                                                 | -                | (284,033)                                       |
| Title IV                           | -                          | -                       | -                                                 | 53,582           | 53,582                                          |
| State sources:                     |                            |                         |                                                   |                  |                                                 |
| National School Lunch Program      | -                          | -                       | -                                                 | 5,541            | 5,541                                           |
| Local sources:                     |                            |                         |                                                   |                  |                                                 |
| Cafeteria sales                    | -                          | -                       | -                                                 | 95,381           | 95,381                                          |
| Total revenues                     | <u>1,448,585</u>           | <u>1,448,585</u>        | <u>-</u>                                          | <u>1,224,292</u> | <u>(224,293)</u>                                |
| <b>Expenditures:</b>               |                            |                         |                                                   |                  |                                                 |
| Current:                           |                            |                         |                                                   |                  |                                                 |
| Instruction                        | 270,394                    | 270,394                 | -                                                 | 109,016          | 161,378                                         |
| Student support services           | 13,639                     | 13,639                  | -                                                 | -                | 13,639                                          |
| Instructional staff training       |                            |                         |                                                   |                  |                                                 |
| services                           | -                          | -                       | -                                                 | 3,756            | (3,756)                                         |
| Food services                      | 918,165                    | 918,165                 | -                                                 | 963,046          | (44,881)                                        |
| Operation of plant                 | 246,387                    | 246,387                 | -                                                 | 148,474          | 97,913                                          |
| Total expenditures                 | <u>1,448,585</u>           | <u>1,448,585</u>        | <u>-</u>                                          | <u>1,224,292</u> | <u>224,293</u>                                  |
| Net change in fund balance \$      | <u>-</u>                   | <u>-</u>                | <u>-</u>                                          | -                | <u>-</u>                                        |
| <b>Fund Balance, July 1, 2025</b>  |                            |                         |                                                   | <u>-</u>         |                                                 |
| <b>Fund Balance, June 30, 2026</b> |                            |                         |                                                   | <u>\$ -</u>      |                                                 |

See accompanying notes to budgetary comparison schedules.

**Note 1 - Budgetary Policy and Basis of Accounting**

An operating budget is adopted and maintained by the Governing Board for all governmental funds except the Capital Projects Fund and the Club and Activities Fund, pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting used in the preparation of the financial statements. All appropriations lapse at the end of the fiscal year.

The level of budgetary control is at the fund level. The School Principal may make unlimited transfers between functional categories throughout the year. Any budget transfers made must be discussed with management and presented to the Governing Board. A potential increase in expenditures over approved budget should be approved by the Governing Board.

**Note 2 - Budgetary Highlights between Original Budget and Final Budget**

There were no variances between original and final budget for the General Fund or the Grants Fund.

**Note 3 - Budgetary Highlights between Actual Results and Final Budget**

In the General Fund, actual revenues were unfavorable to the final budget for the year ended June 30, 2026, primarily due to state and local revenue being lower than projected. The variance in state sources is primarily due to the decline in student enrollment by 178 students resulting in state source revenues falling below budget by \$ 1,305,237. The variance in local revenue was largely due to the settlement payment already recognized in FY25, resulting in no related revenue being recorded in FY26. Total expenditures were favorable compared to the final budget, primarily due to lower than budgeted instruction associated with savings in personnel costs to align to the lower enrollment. This favorability was partially offset by unfavorable variances in operation of plant and community services. Operation of plant expenditures exceeded budget due to excesses in contracted services and utilities, and community services is unfavorable due to increased costs related to higher participation in the program.

In the Grants Fund, actual revenues were unfavorable compared to the final budget for the year ended June 30, 2026, primarily due to a reduction in the anticipated Title I revenues and student lunch program revenues due to participation. Expenditures were favorable to the final budget primarily due to lower than budgeted costs due to the reduction of Title I funding.

## OTHER INDEPENDENT AUDITOR'S REPORTS

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

To the Board of Directors  
Keys Gate Charter School  
Homestead, 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 Keys Gate Charter School (the "School"), a Department of The Florida Charter Educational Foundation, Inc., 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 14, 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 control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

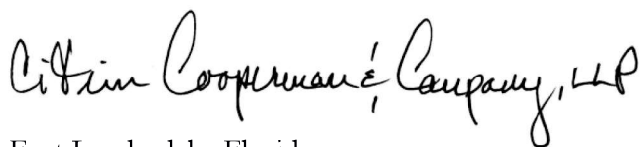
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## Report on Compliance and Other Matters

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Lauderdale, Florida

September 14, 2026

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

To the Board of Directors  
Keys Gate Charter School  
Homestead, Florida

**Report on the Financial Statements**

We have audited the financial statements of the governmental activities and each major fund of Keys Gate Charter School, (the "School"), as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 14, 2026.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 14, 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 or recommendations made in the preceding annual financial audit report.

**Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Keys Gate Charter School and 133610.

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## Financial Condition and Management

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

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

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

## Transparency

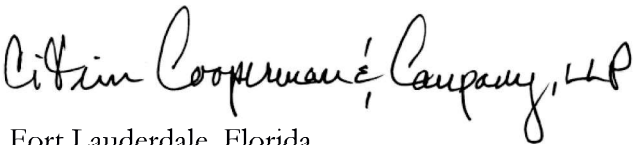
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with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

## Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

## Purpose of this Letter

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



Fort Lauderdale, Florida  
September 14, 2026

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