

**IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY**

A Charter School and Component Unit of the
District School Board of Osceola County, Florida

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2026

King & Walker, CPAs, PL

Certified Public Accountants

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**IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY**

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Independent Auditor's Report

To the Board of Directors of Imagine Kissimmee Charter Academy, LLC
d/b/a Kissimmee Charter Academy,
a Charter School and Component Unit of the District
School Board of Osceola County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Imagine Kissimmee Charter Academy, LLC d/b/a Kissimmee Charter Academy ("School"), a component unit of the District School Board of Osceola County, Florida, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

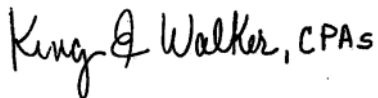
Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report September 8, 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.

Respectfully submitted,

Handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 8, 2026
Tampa, Florida

IMAGINE KISSIMMEE CHARTER ACADEMY, LLC D/B/A KISSIMMEE CHARTER ACADEMY

A Charter School and Component Unit of the District School Board of Osceola County, Florida

MANAGEMENT’S DISCUSSION AND ANALYSIS - (Unaudited)

The Management’s Discussion and Analysis (MD&A) section of the annual financial report of the Imagine Kissimmee Charter Academy, LLC d/b/a Kissimmee Charter Academy (“School”), provides an overview of the School’s financial activities for the fiscal year ended June 30, 2026.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School’s financial statements and notes to financial statements, as shown in the table of contents.

FINANCIAL HIGHLIGHTS

- The School reported an Unrestricted Net Position balance of \$2,433,309, as shown on the Statement of Net Position.
- For the fiscal year ended June 30, 2026, the School’s expenses exceeded revenue by \$319,096 as shown on the School’s Statement of Activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School’s overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of Net Position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of Net Position provides information about the government’s financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the Net Position, may serve as a useful indicator of the School’s financial position.

The statement of activities presents information about the change in the School’s Net Position and the results of operations, during the fiscal year. An increase or decrease in Net Position is an indication of whether the School’s financial position is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

**IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY**

A Charter School and Component Unit of the District School Board of Osceola County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide financial statements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund financial statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund financial statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates four funds; a General Fund, a Capital Projects Fund, a Debt Service Fund and a Special Revenue Fund. The School has elected to show each fund as a major fund.

The School adopts annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budgets.

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.

IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY

A Charter School and Component Unit of the District School Board of Osceola County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the School's current year and prior year net position:

Net Position, End of Year

	Governmental Activities		
	6-30-25	6-30-26	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 4,122,491	\$ 4,224,141	\$ 101,650
Capital Assets, Net	11,342,765	10,953,351	(389,414)
Total Assets	15,465,256	15,177,492	(287,764)
LIABILITIES			
Current Liabilities	323,737	355,069	31,332
Noncurrent Liabilities	11,940,000	11,940,000	-
Total Liabilities	12,263,737	12,295,069	31,332
NET POSITION			
Net Investment in Capital Assets	(597,235)	(986,649)	(389,414)
Restricted for Food Service	228,210	265,571	37,361
Restricted for Debt Service	909,349	895,359	(13,990)
Restricted for Capital Projects	274,060	274,833	773
Unrestricted	2,387,135	2,433,309	46,174
Total Net Position	\$ 3,201,519	\$ 2,882,423	\$ (319,096)

Current assets consist of cash and cash equivalents, a net due to/from management company, and amounts due from other agencies. Current liabilities are comprised of salaries and benefits payable and accounts payable, and noncurrent liabilities are comprised of bonds payable.

Total Net Position amounted to \$2,882,423, as of June 30, 2026, representing a decrease of \$319,096 over the prior fiscal year.

IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY

A Charter School and Component Unit of the District School Board of Osceola County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The following is a summary of the School's change in net position for the current year and prior year:

Operating Results for the Year

	Governmental Activities		
	6-30-25	6-30-26	Increase (Decrease)
Revenues:			
Federal	\$ 1,010,979	\$ 1,000,330	\$ (10,649)
State	6,772,432	6,608,465	(163,967)
Local and Other	481,128	559,578	78,450
Contributions	-	415,000	415,000
Total Revenues	<u>8,264,539</u>	<u>8,583,373</u>	<u>318,834</u>
Expenses:			
Instruction	3,549,257	3,936,260	387,003
Student Support Services	156,446	195,542	39,096
Instructional Media	-	2,152	2,152
Instruction & Curriculum Development	30,755	25,166	(5,589)
Instructional Staff Training	116,050	113,889	(2,161)
Instructional Related Technology	57,644	77,020	19,376
Board	12,000	12,000	-
School Administration	1,257,211	1,238,310	(18,901)
Facilities Acquisition & Construction	10,106	16,463	6,357
Fiscal Services	61,729	95,824	34,095
Food Services	697,180	663,937	(33,243)
Central Services	83,968	81,606	(2,362)
Student Transportation	178,877	234,421	55,544
Operation of Plant	1,157,615	1,141,909	(15,706)
Maintenance of Plant	51,790	61,659	9,869
Community Service	239,796	219,122	(20,674)
Debt Service - Interest & Fiscal Charges	<u>782,350</u>	<u>787,189</u>	<u>4,839</u>
Total Expenses	<u>8,442,774</u>	<u>8,902,469</u>	<u>459,695</u>
Increase/(Decrease) in Net Position	<u>\$ (178,235)</u>	<u>\$ (319,096)</u>	<u>\$ (140,861)</u>

The largest revenue source for the School is the State of Florida (77%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula and Charter School Capital Outlay funds. Both sources utilize student enrollment data to determine the funds available for the School.

The largest concentrations of expenses during the year were for Instruction (44%) and School Administration (14%). The expense categories experienced increases and decreases between fiscal years due to general economic conditions and the financial needs of the School.

**IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
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A Charter School and Component Unit of the District School Board of Osceola County, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a combined fund balance of \$3,869,072.

BUDGETARY HIGHLIGHTS

The General Fund and Special Revenue Fund budgets for the fiscal year ended June 30, 2026, were developed based on the School's anticipated revenues and expenditures, the expected student population, and Federal grant programs for the school year. Over the course of the year, management monitors the budgets and may revise the budgets. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2026, amounts to \$10,953,351 (net of accumulated depreciation). This investment in capital assets includes land, buildings and fixed equipment, improvements other than buildings, furniture, fixtures, and equipment, vehicles, computer software, IT equipment, and audio-visual materials. Additional information regarding the School's capital assets is presented in a subsequent note to the financial statements.

LONG-TERM LIABILITIES

In the 2024 fiscal year, the School issued bonds totaling \$11,940,000 to purchase its educational facility. The remaining balance of these bonds is \$11,940,000 as of June 30, 2026. Additional information regarding the School's long-term debt can be found in the subsequent notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Kissimmee Charter Academy's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Principal, Imagine Kissimmee Charter Academy, LLC d/b/a Kissimmee Charter Academy, 2850 Bill Beck Boulevard, Kissimmee, FL 34744.

**IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA**

STATEMENT OF NET POSITION

June 30, 2026

	Government Activities
ASSETS	
Cash & Cash Equivalents	\$ 3,764,294
Due From Other Agencies	44,847
Net Due To/ From Management Company	415,000
Capital Assets:	
Land	2,028,000
Buildings & Fixed Equipment, Net	8,653,931
Improvements Other Than Buildings, Net	219,849
Furniture, Fixtures, and Equipment, Net	15,210
Vehicles, Net	29,616
IT Equipment, Net	6,745
Total Capital Assets	<u>10,953,351</u>
TOTAL ASSETS	<u>15,177,492</u>
LIABILITIES	
Salaries and Benefits Payable	344,508
Accounts Payable	10,561
Noncurrent Liabilities:	
Due After One Year:	
Bonds Payable	<u>11,940,000</u>
TOTAL LIABILITIES	<u>12,295,069</u>
NET POSITION	
Net Investment in Capital Assets	(986,649)
Restricted:	
Food Service	265,571
Debt Service	895,359
Capital Projects	274,833
Unrestricted	<u>2,433,309</u>
TOTAL NET POSITION	<u><u>\$ 2,882,423</u></u>

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

IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2026

		Program Revenues			Net (Expenses)
		Charges	Operating	Capital	Revenue
	Expenses	for	Grants and	Grants and	and Changes
		Services	Contributions	Contributions	Net Position
					Governmental
					Activities
Governmental Activities:					
Instruction	\$ 3,936,260	\$ 93,536	\$ 197,412	\$ -	\$ (3,645,312)
Student Support Services	195,542	-	3,588	-	(191,954)
Instructional Media	2,152	-	-	-	(2,152)
Instruction & Curriculum Development	25,166	-	-	-	(25,166)
Instructional Staff Training	113,889	-	110,049	-	(3,840)
Instructional Related Technology	77,020	-	-	-	(77,020)
Board	12,000	-	-	-	(12,000)
School Administration	1,238,310	-	-	-	(1,238,310)
Facilities Acquisition & Construction	16,463	-	-	-	(16,463)
Fiscal Services	95,824	-	-	-	(95,824)
Food Services	663,937	7,408	689,281	-	32,752
Central Services	81,606	-	-	-	(81,606)
Student Transportation	234,421	-	-	-	(234,421)
Operation of Plant	1,141,909	-	-	-	(1,141,909)
Maintenance of Plant	61,659	-	-	-	(61,659)
Community Service	219,122	59,903	-	-	(159,219)
Debt Service - Interest & Fiscal Charges	787,189	-	-	490,243	(296,946)
Total Governmental Activities	<u>\$ 8,902,469</u>	<u>\$ 160,847</u>	<u>\$ 1,000,330</u>	<u>\$ 490,243</u>	<u>(7,251,049)</u>
General Revenue					
State Sources					6,118,222
Local and Other					398,731
Contributions					415,000
Total General Revenues					<u>6,931,953</u>
Change in Net Position					(319,096)
Net Position - July 1, 2025					<u>3,201,519</u>
Net Position - June 30, 2026					<u>\$ 2,882,423</u>

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

**IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA**

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 2,325,027	\$ 269,075	\$ 274,833	\$ 895,359	\$ 3,764,294
Due From Other Agencies	4,003	678	40,166	-	44,847
Net Due To/ From Management Company	415,000	-	-	-	415,000
Due from Other Funds	44,348	-	-	-	44,348
Total Assets	<u>\$ 2,788,378</u>	<u>\$ 269,753</u>	<u>\$ 314,999</u>	<u>\$ 895,359</u>	<u>\$ 4,268,489</u>
LIABILITIES					
Salaries and Benefits Payable	\$ 344,508	\$ -	\$ -	\$ -	\$ 344,508
Accounts Payable	10,561	-	-	-	10,561
Due to Other Funds	-	4,182	40,166	-	44,348
Total Liabilities	<u>355,069</u>	<u>4,182</u>	<u>40,166</u>	<u>-</u>	<u>399,417</u>
FUND BALANCES					
Restricted:					
Food Service	-	265,571	-	-	265,571
Capital Projects	-	-	274,833	-	274,833
Debt Service	-	-	-	895,359	895,359
Assigned					
Technology	300,000	-	-	-	300,000
Instructional Materials	200,000	-	-	-	200,000
Employee Compensation	220,000	-	-	-	220,000
Buses	60,000	-	-	-	60,000
Unassigned	<u>1,653,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,653,309</u>
Total Fund Balances	<u>2,433,309</u>	<u>265,571</u>	<u>274,833</u>	<u>895,359</u>	<u>3,869,072</u>
Total Liabilities and Fund Balances	<u>\$ 2,788,378</u>	<u>\$ 269,753</u>	<u>\$ 314,999</u>	<u>\$ 895,359</u>	<u>\$ 4,268,489</u>

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

IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2026

Total Fund Balances - Governmental Funds	\$ 3,869,072
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.	10,953,351
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Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.	
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Bonds Payable	<u>(11,940,000)</u>
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Total Net Position - Governmental Activities	<u><u>\$ 2,882,423</u></u>
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The accompanying notes to financial statements are an integral part of this statement.

IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Intergovernmental:					
Federal	\$ -	\$ 1,000,330	\$ -	\$ -	\$ 1,000,330
State	6,114,264	3,958	490,243	-	6,608,465
Local and Other	328,094	7,408	193,441	30,635	559,578
Contributions	415,000	-	-	-	415,000
Total Revenues	<u>6,857,358</u>	<u>1,011,696</u>	<u>683,684</u>	<u>30,635</u>	<u>8,583,373</u>
Expenditures					
Current - Education:					
Instruction	3,738,848	197,412	-	-	3,936,260
Student Support Services	191,954	3,588	-	-	195,542
Instructional Media	2,152	-	-	-	2,152
Instruction & Curriculum Development	25,166	-	-	-	25,166
Instructional Staff Training	3,840	110,049	-	-	113,889
Instructional Related Technology	77,020	-	-	-	77,020
Board	12,000	-	-	-	12,000
School Administration	1,236,982	-	-	-	1,236,982
Facilities Acquisition & Construction	16,463	-	-	-	16,463
Fiscal Services	95,824	-	-	-	95,824
Food Services	-	663,286	-	-	663,286
Central Services	81,606	-	-	-	81,606
Student Transportation	210,286	-	-	-	210,286
Operation of Plant	778,609	-	-	-	778,609
Maintenance of Plant	61,659	-	-	-	61,659
Community Service	219,122	-	-	-	219,122
Debt Service:					
Interest & Fiscal Charges	-	-	-	787,189	787,189
Total Expenditures	<u>6,751,531</u>	<u>974,335</u>	<u>-</u>	<u>787,189</u>	<u>8,513,055</u>
Excess/(Deficiency) of Revenues					
Over Expenditures	<u>105,827</u>	<u>37,361</u>	<u>683,684</u>	<u>(756,554)</u>	<u>70,318</u>
Other Financing Sources (Uses):					
Transfers In/(Out)	<u>(59,653)</u>	<u>-</u>	<u>(682,911)</u>	<u>742,564</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(59,653)</u>	<u>-</u>	<u>(682,911)</u>	<u>742,564</u>	<u>-</u>
Net Change in Fund Balances	46,174	37,361	773	(13,990)	70,318
Fund Balances, July 1, 2025	2,387,135	228,210	274,060	909,349	3,798,754
Fund Balances, June 30, 2026	<u>\$ 2,433,309</u>	<u>\$ 265,571</u>	<u>\$ 274,833</u>	<u>\$ 895,359</u>	<u>\$ 3,869,072</u>

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

**IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF OSCEOLA COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2026

Net Change in Fund Balances - Governmental Funds	\$	70,318
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Amounts reported for governmental activities in the statement of activities
are different because:

Capital outlays are reported in governmental funds as expenditures.
However, in the statement of activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense.

Capital Outlays	-		
Depreciation Expense	(389,414)		(389,414)

Change in Net Position - Governmental Activities	\$	<u>(319,096)</u>
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The accompanying notes to the financial statements are an integral part of this statement.

**IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
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A Charter School and Component Unit of the District School Board of Osceola County, Florida

**NOTES TO FINANCIAL STATEMENTS
June 30, 2026**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ **Reporting Entity**

Imagine Kissimmee Charter Academy, LLC d/b/a Kissimmee Charter Academy (“School”), is a limited liability company organized pursuant to Chapter 608.407, Florida Statutes. The School qualifies for derivative exempt status within the meaning of Section 501(c)(3) of the Internal Revenue Code by virtue of its relationship with its single member, Imagine Schools Non-Profit, Inc. (“the Management Company”), a Virginia non-stock corporation. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of five members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Osceola County, Florida, (“District”). Effective July 1, 2023, the City of Kissimmee, Florida, the School’s former charter holder, and the District School Board of Osceola County, agreed to the assignment of the charter school contract to Imagine Kissimmee Charter Academy, LLC. The current charter is effective until June 30, 2030, and may be renewed by mutual agreement between the School and the District. 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 this case, the District is required to notify the School in writing at least 90 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. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units which should be reported within the School's basic financial statements are identified and described in the Government Accounting Standards Board's (GASB) *Codification of Government Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

➤ **Basis of Presentation**

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

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NOTES TO FINANCIAL STATEMENTS
June 30, 2026

each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

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

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

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for Federal grant programs and food service operations.
- Debt Service Fund – to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest and fiscal charges.
- Capital Projects Fund – to account for all resources for the acquisition of capital assets and related items purchased by the School with capital outlay funds.

➤ **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. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are 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 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. 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. Allocations of cost, such as depreciation, are not recognized in governmental funds.

➤ **Cash and Cash Equivalents**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

➤ **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of Net Position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than \$2,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other Than Buildings	7 - 25 years
Buildings and Fixed Equipment	15 - 30 years
Furniture, Fixtures, and Equipment	5 - 7 years
Vehicles	5 years
Computer Software	3 - 5 years
IT Equipment	4 - 7 years
Audio Visual Materials	5 - 7 years

Current year information relative to changes in capital assets is described in a subsequent note.

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**NOTES TO FINANCIAL STATEMENTS
June 30, 2026**

➤ **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

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

➤ **Net Position and Fund Balance Classification**

Government-wide Financial Statements

Net Position is classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

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**NOTES TO FINANCIAL STATEMENTS
June 30, 2026**

- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the City of Kissimmee Commission.
- Assigned – fund balance that is intended to be used by the School's management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the School's general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general funds.

➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent (FTE) students reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made. The District receives a 2.5% administrative fee from the School, which is reflected in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances – governmental funds.

The basic amount of funding through the FEFP under Section 1011.62 is the product of (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the Legislature.

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Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2026, the School reported 731.63 unweighted FTE and 773.5632 weighted FTE.

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

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives Federal and state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School also receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections. The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available. A schedule of revenue sources for the current year is presented in a subsequent note.

➤ **Income Taxes**

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

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**NOTES TO FINANCIAL STATEMENTS
June 30, 2026**

➤ **Use of Estimates**

In preparing the financial statements in conformity with generally accepted accounting principles in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of Net Position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ **Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

2. CASH DEPOSITS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

3. DUE FROM OTHER AGENCIES

The amounts Due from Other Agencies included in the accompanying statement of net position and balance sheet – governmental funds consist of amounts due from the Osceola County District School Board for grant expenditures awaiting reimbursement and capital outlay funds. These receivables are considered to be fully collectible and as such, no allowance for uncollectible accounts is accrued.

2. INTERFUND RECEIVABLES AND PAYABLES

At June 30, 2026, the Capital Projects Fund owed the General Fund \$40,166 for capital outlay expenditures awaiting reimbursement from the Osceola County School District, and the Special Revenue Fund owed the General Fund \$678 for grant expenditures awaiting reimbursement and \$3,504 for expenditures related to the food service program. The amounts of inter-fund receivables and payables are netted together and not reported in the statement of net position

4. INVESTMENTS

The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2026

All of the School's recurring fair value measurements as of June 30, 2026, are valued using quoted market prices (Level 1 inputs). The School's investments at June 30, 2026, are reported as follows:

<u>Investment (1)</u>	<u>Amount</u>
UMB Financial - Money Market Funds	<u>\$ 1,170,192</u>
Total	<u><u>\$ 1,170,192</u></u>

Notes (1) - This investment is reported as a cash equivalent for financial statement reporting purposes.

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Land	\$ 2,028,000	\$ -	\$ -	\$ 2,028,000
Buildings & Fixed Equipment	10,289,862	-	-	10,289,862
Computer Software	58,765	-	-	58,765
Improvements Other Than Buildings	461,430	-	-	461,430
Furniture, Fixtures and Equipment	359,747	-	-	359,747
Vehicles	160,739	-	-	160,739
IT Equipment	720,986	-	-	720,986
Audio Visual Materials	6,911	-	-	6,911
Total Capital Assets	<u>14,086,440</u>	<u>-</u>	<u>-</u>	<u>14,086,440</u>
Less Accumulated Depreciation for:				
Buildings & Fixed Equipment	(1,299,191)	(336,740)	-	(1,635,931)
Computer Software	(58,765)	-	-	(58,765)
Improvements Other Than Buildings	(220,752)	(20,829)	-	(241,581)
Furniture, Fixtures and Equipment	(336,827)	(7,710)	-	(344,537)
Vehicles	(106,988)	(24,135)	-	(131,123)
IT Equipment	(714,241)	-	-	(714,241)
Audio Visual Materials	(6,911)	-	-	(6,911)
Total Accumulated Depreciation	<u>(2,743,675)</u>	<u>(389,414)</u>	<u>-</u>	<u>(3,133,089)</u>
Governmental Activities Capital Assets, net	<u><u>\$ 11,342,765</u></u>	<u><u>\$ (389,414)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,953,351</u></u>

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**NOTES TO FINANCIAL STATEMENTS
June 30, 2026**

Depreciation expense was charged to functions as follows:

<u>Governmental Activities:</u>	<u>Amount</u>
School Administration	\$ 1,328
Food Services	651
Student Transportation	24,135
Operation of Plant	363,300
Total governmental activities depreciation expense	<u>\$ 389,414</u>

7. BONDS PAYABLE

Bonds payable at June 30, 2026, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Annual Maturity To</u>
Series 2024	<u>\$ 11,940,000</u>	6.125% - 6.625%	2059
	<u>\$ 11,940,000</u>		

Educational Facilities Revenue Bonds Series 2024 – On April 23, 2024, the School issued tax-exempt educational facilities revenue bonds Series 2024 for \$11,940,000 secured by a mortgage on the School's property and buildings. The bonds were issued for the purpose of financing the costs of acquiring the existing building to be used as a nonprofit charter school educational facility.

Series 2024 bonds are term bonds paying interest semi-annually at a rate of 6.125% to 6.625% with maturities starting June 15, 2044, and ending June 15, 2059. As required by the bond resolution, the School has established the following funds: bond revenue fund, bond interest fund, debt service reserve fund, capital maintenance fund, project fund, cost of issuance fund, and an administration fund. The School has accumulated and maintained adequate resources in each of the funds.

In the event of default, the trustee may take any and all steps, actions and proceedings to enforce any or all rights, without limitation, to declare the unpaid indebtedness on the Series 2024 Bonds and all amounts then due and payable under the loan agreement to be immediately due and payable.

Commencing on June 30, 2026, and each fiscal year thereafter, the School is required to disclose its debt service coverage ratio and days cash on hand as described in the Loan Agreement. The 2024 minimum debt service coverage ratio requirement for the School is 1.10 to 1. As of June 30, 2026, the School's debt service coverage ratio was 1.11. Days cash on hand requirement shall be an amount not less than 45 days. As of June 30, 2026, the School's days cash on hand was 109.84.

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**NOTES TO FINANCIAL STATEMENTS
June 30, 2026**

Annual requirements to amortize all bonded debt outstanding as of June 30, 2026, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2027	\$ 774,350	\$ -	\$ 774,350
2028	864,350	90,000	774,350
2029	863,838	95,000	768,838
2030	863,019	100,000	763,019
2031	861,894	105,000	756,894
2032-2036	4,309,731	630,000	3,679,731
2037-2041	4,311,374	850,000	3,461,374
2042-2046	4,315,557	1,150,000	3,165,557
2047-2051	4,307,700	1,560,000	2,747,700
2052-2056	4,309,606	2,140,000	2,169,606
2057-2059	6,152,800	5,220,000	932,800
Total	<u>\$ 31,934,219</u>	<u>\$ 11,940,000</u>	<u>\$ 19,994,219</u>

8. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Bonds Payable	\$ 11,940,000	\$ -	\$ -	\$ 11,940,000	\$ -
Total Governmental Activities	<u>\$ 11,940,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,940,000</u>	<u>\$ -</u>

9. FUNDING AND CREDIT CONCENTRATIONS

The School receives substantially all of its support and revenue from Federal, state and local funding sources, passed through the District and to the City, then to the School, in the form of performance and budget based contracts. Continuing operation of the School is greatly dependent upon the continued support of these governmental agencies.

10. INTERFUND TRANSFERS

During the 2026 fiscal year, the Capital Projects Fund and General Fund transferred \$682,911 and \$59,653, respectively, to the Debt Service Fund for costs associated with the School's bonded debt. The amounts of interfund transfers are netted together and not reported in the statement of activities.

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**NOTES TO FINANCIAL STATEMENTS
June 30, 2026**

11. FUND BALANCE CLASSIFICATIONS

For the fiscal year ended June 30, 2026, the breakout of the fund balance is shown below:

	Total Governmental Funds
Restricted:	
Food Service	\$ 265,571
Capital Projects	274,833
Debt Service	895,359
Assigned:	
Technology	300,000
Instructional Materials	200,000
Employee Compensation	220,000
Buses	60,000
Unassigned	1,653,309
Total Fund Balance	<u>\$ 3,869,072</u>

12. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue:

Source	Amount
Florida Education Finance Program	\$ 5,283,602
Categorical Programs:	
Class Size Reduction	722,609
Charter School Capital Outlay	490,243
Miscellaneous	112,011
Total State Revenue	<u>\$ 6,608,465</u>

As provided in the charter school contract, the District has charged the School an administrative fee totaling \$49,226.

Accounting policies relating to certain State revenue sources are described in Note 1.

**IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
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A Charter School and Component Unit of the District School Board of Osceola County, Florida

**NOTES TO FINANCIAL STATEMENTS
June 30, 2026**

13. RETIREMENT PLAN

The School participates in a 401(k) Retirement Savings Plan for employees. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices; therefore, the School has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. Contributions made by the School totaled \$92,512 for the year ended June 30, 2026. The School is currently making matching contributions up to 5% for participating employees. The rate of contribution is set annually by the Management Company.

14. MANAGEMENT SERVICES CONTRACT

The School entered into a management service agreement with Imagine Schools, Inc., commencing July 1, 2017, and effective until June 30, 2030, and may be cancelled or terminated pursuant to the terms and conditions set forth in the agreement.

This agreement calls for an Indirect Cost Allocation, for performance of its responsibilities, equal to twelve percent (12%) of State Revenues. The Indirect Cost Allocation shall be paid monthly in an amount equal to one-twelfth of the annual amount reflected in the budget approved by the Charter School Board of Managers. Current year Indirect Cost Allocation fees charged to operations totaled \$801,668.

15. NET DUE (TO)/FROM MANAGEMENT COMPANY

The School has entered into an agreement with the management company as described in Note 14 of the notes to financial statements. The ending balance of \$415,000 represents an amount due from Management Company, and consists of the following:

	<u>Net due (to)/from management company</u>
Balance due (to)/from at July 1, 2025	\$ 113
Payments	992,368
Invoiced	(992,481)
Contribution from management company	<u>415,000</u>
Balance due (to)/from at June 30, 2026	<u><u>\$ 415,000</u></u>

**IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
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**NOTES TO FINANCIAL STATEMENTS
June 30, 2026**

16. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

17. LEGAL MATTERS

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

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**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND SPECIAL REVENUE FUND (UNAUDITED)
For the Fiscal Year Ended June 30, 2026**

	General Fund					Special Revenue Fund				
	Original Budget	Final Budget	Variance with Original Budget - Over/(Under) Final Budget	Actual	Variance with Final Budget - Over/(Under) Actual	Original Budget	Final Budget	Variance with Original Budget - Over/(Under) Final Budget	Actual	Variance with Final Budget - Over/(Under) Actual
Revenues:										
Intergovernmental:										
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,041,074	\$ 1,000,330	\$ 40,744	\$ 1,000,330	\$ -
State	6,307,626	6,114,264	193,362	6,114,264	-	-	3,958	(3,958)	3,958	-
Local and Other	458,711	328,094	130,617	328,094	-	12,743	7,408	5,335	7,408	-
Contributions	-	415,000	(415,000)	415,000	-	-	-	-	-	-
Total Revenues	<u>6,766,337</u>	<u>6,857,358</u>	<u>(91,021)</u>	<u>6,857,358</u>	<u>-</u>	<u>1,053,817</u>	<u>1,011,696</u>	<u>42,121</u>	<u>1,011,696</u>	<u>-</u>
Expenditures:										
Current - Education:										
Instruction	3,317,621	3,738,848	(421,227)	3,738,848	-	189,099	197,412	(8,313)	197,412	-
Student Support Services	235,731	191,954	43,777	191,954	-	-	3,588	(3,588)	3,588	-
Instructional Media	-	2,152	(2,152)	2,152	-	-	-	-	-	-
Instruction & Curriculum Development	-	25,166	(25,166)	25,166	-	-	-	-	-	-
Instructional Staff Training	-	3,840	(3,840)	3,840	-	107,958	110,049	(2,091)	110,049	-
Instructional Related Technology	-	77,020	(77,020)	77,020	-	-	-	-	-	-
Board	-	12,000	(12,000)	12,000	-	-	-	-	-	-
School Administration	2,518,568	1,236,982	1,281,586	1,236,982	-	-	-	-	-	-
Facilities Acquisition & Construction	-	16,463	(16,463)	16,463	-	21,380	-	21,380	-	-
Fiscal Services	-	95,824	(95,824)	95,824	-	-	-	-	-	-
Food Services	-	-	-	-	-	735,380	663,286	72,094	663,286	-
Central Services	-	81,606	(81,606)	81,606	-	-	-	-	-	-
Student Transportation	73,368	210,286	(136,918)	210,286	-	-	-	-	-	-
Operation of Plant	-	778,609	(778,609)	778,609	-	-	-	-	-	-
Maintenance of Plant	-	61,659	(61,659)	61,659	-	-	-	-	-	-
Community Service	230,231	219,122	11,109	219,122	-	-	-	-	-	-
Total Expenditures	<u>6,375,519</u>	<u>6,751,531</u>	<u>(376,012)</u>	<u>6,751,531</u>	<u>-</u>	<u>1,053,817</u>	<u>974,335</u>	<u>79,482</u>	<u>974,335</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>390,818</u>	<u>105,827</u>	<u>284,991</u>	<u>105,827</u>	<u>-</u>	<u>-</u>	<u>37,361</u>	<u>(37,361)</u>	<u>37,361</u>	<u>-</u>
Other Financing Sources (Uses):										
Transfers In/(Out)	(252,546)	(59,653)	(192,893)	(59,653)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(252,546)</u>	<u>(59,653)</u>	<u>(192,893)</u>	<u>(59,653)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	138,272	46,174	92,098	46,174	-	-	37,361	(37,361)	37,361	-
Fund Balances, July 1, 2025	2,387,135	2,387,135	-	2,387,135	-	228,210	228,210	-	228,210	-
Fund Balances, June 30, 2026	<u>\$ 2,525,407</u>	<u>\$ 2,433,309</u>	<u>\$ 92,098</u>	<u>\$ 2,433,309</u>	<u>\$ -</u>	<u>\$ 228,210</u>	<u>\$ 265,571</u>	<u>\$ (37,361)</u>	<u>\$ 265,571</u>	<u>\$ -</u>

See Independent Auditor's Report

**IMAGINE KISSIMMEE CHARTER ACADEMY, LLC
D/B/A KISSIMMEE CHARTER ACADEMY**

A Charter School and Component Unit of the District School Board of Osceola County, Florida

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2026**

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

Members:
Florida Institute of CPAs
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Government Audit Quality Center

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**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***

Independent Auditor's Report

To the Board of Directors of Imagine Kissimmee Charter Academy, LLC
d/b/a Kissimmee Charter Academy,
a Charter School and Component Unit of the District
School Board of Osceola County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Imagine Kissimmee Charter Academy, LLC d/b/a Kissimmee Charter Academy ("School"), a component unit of the District School Board of Osceola County, Florida, 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 8, 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 were not identified.

Report on Compliance and Other Matters

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

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 8, 2026
Tampa, Florida



Members:
Florida Institute of CPAs
American Institute of CPAs
Government Audit Quality Center

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Tampa, FL 33618
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**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of Imagine Kissimmee Charter Academy, LLC
d/b/a Kissimmee Charter Academy,
a Charter School and Component Unit of the District
School Board of Osceola County, Florida

Report on the Financial Statements

We have audited the financial statements of Imagine Kissimmee Charter Academy, LLC d/b/a Kissimmee Charter Academy ("School"), a component unit of the District School Board of Osceola County, Florida, as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 8, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent 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 those reports and schedule, which are dated September 8, 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 prior audit findings or recommendations.

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 Kissimmee Charter Academy, 490866.

Financial Condition and Management

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and 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 maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

September 8, 2026
Tampa, Florida