

**TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
(MSID 1024)
MIAMI, FLORIDA
(A CHARTER SCHOOL UNDER TRUE NORTH
CLASSICAL ACADEMY, INC.)**

**BASIC FINANCIAL STATEMENTS, INDEPENDENT
AUDITOR'S REPORT AND SUPPLEMENTARY
INFORMATION**

JUNE 30, 2026

**TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
(MSID 1024)
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**TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
(MSID 1024)**

(A Charter School Under True North Classical Academy, Inc.)

6500 SW 97th Avenue

Miami, FL 33173

(786) 788-5600

1899-2026

BOARD OF DIRECTORS

Mr. Luis E. Diaz, Chair

Mr. Rudy Pages, Secretary

Mr. Ernesto Rodriguez, Member

Mr. Kent (Pete) Windhorst, Member

Mr. Jose Felix Diaz, Member

SCHOOL ADMINISTRATION

Ms. Allison Ramirez, Head of School



Verdeja • Alvarez

Certified Public Accountants & Advisors



Octavio F. Verdeja, Founder - 1971

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
True North Classical Academy at Gateway
Miami, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of True North Classical Academy at Gateway (the "School"), a charter school under True North Classical Academy, 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, each major fund, and the aggregate remaining fund information of True North Classical Academy at Gateway, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but

is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Other Matters

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School as of June 30, 2026, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of True North Classical Academy, Inc. These financial statements do not purport to and do not present fairly the financial position of True North Classical Academy, Inc. as of June 30, 2026 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated 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 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 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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 8, 2026

Management's Discussion and Analysis
True North Classical Academy at Gateway
June 30, 2026

The corporate officers of True North Classical Academy at Gateway (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2026, the School's fifth year of operations.

FINANCIAL HIGHLIGHTS

1. During its fifth year of operations, the School had an increase in its net position of \$629,557 for the year ended June 30, 2026.
2. At year-end, the School had current assets of \$2,018,769.
3. The School's fund balance increased by \$690,365 and had a combined fund balance of \$1,832,987 at June 30, 2026.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2026 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Management's Discussion and Analysis
True North Classical Academy at Gateway
June 30, 2026

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

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

Notes to Financial Statements

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2026 and 1899 follows:

Assets	<u>2026</u>	<u>2025</u>
Cash	\$ 1,929,603	\$ 1,264,885
Due from other agencies	63,802	20,197
Prepaid expenses	25,364	52,384
Capital and right-to-use assets, net	3,491,999	3,748,923
Total Assets	<u>\$ 5,510,768</u>	<u>\$ 5,086,389</u>
 Liabilities and Net Position		
Accounts and wages payable and accrued liabilities	\$ 185,782	\$ 194,844
Right-to-use liability	3,543,095	3,739,211
Total Liabilities	<u>3,728,877</u>	<u>3,934,055</u>
Net investment in capital assets	(51,096)	9,712
Restricted	81,043	45,796
Unrestricted	1,751,944	1,096,826
Total Net Position	<u>1,781,891</u>	<u>1,152,334</u>
Total Liabilities and Net Position	<u>\$ 5,510,768</u>	<u>\$ 5,086,389</u>

At June 30, 2026, the School's total assets were \$5,510,768 and total liabilities were \$3,728,877. At June 30, 2026, the School reported total net position of \$1,781,891. This was the School's fifth year of operations.

Management's Discussion and Analysis
True North Classical Academy at Gateway
June 30, 2026

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2026 and 1899 follows:

REVENUES	<u>2026</u>	<u>2025</u>
Program Revenues		
Federal grants	\$ 580,566	\$ 383,372
Capital outlay funding	217,865	206,450
Charges for services and other grants	193,274	166,638
General Revenues		
FEFP nonspecific revenue	2,950,807	2,949,276
Local tax referendum	607,283	569,350
Fundraising and other miscellaneous local sources	149,881	135,869
Total Revenues	<u>4,699,676</u>	<u>4,410,955</u>
 EXPENSES		
Instruction	1,854,051	1,808,482
Student and instructional support	350	1,186
General administration	41,405	41,075
School administration	481,896	564,409
Central services	162,945	1,372
Fiscal services	100,603	100,679
Food services	61,295	60,334
Operation of plant	819,264	854,180
Maintenance of plant	124,258	77,843
Administrative technology services	25,064	6,812
Community services	101,130	86,633
Student and extracurricular activities	114,634	119,083
Interest expense	183,224	193,598
Total Expenses	<u>4,070,119</u>	<u>3,915,686</u>
 Change in Net Position	629,557	495,269
 Net Position at Beginning of Year	<u>1,152,334</u>	<u>657,065</u>
Net Position at End of Year	<u><u>\$ 1,781,891</u></u>	<u><u>\$ 1,152,334</u></u>

The School's total revenues for the year ended June 30, 2026 were \$4,699,676 while its total expenses were \$4,070,119 for a net increase of \$629,557. This was the School's fifth full year of operations, in which the School had 323 students enrolled during 1899-2026. Federal grant revenues increased compared to the prior year primarily due to additional Charter Schools Program (CSP) grant funding received during the year.

Management's Discussion and Analysis
True North Classical Academy at Gateway
June 30, 2026

ACCOMPLISHMENTS

True North's mission is for our scholars to achieve their highest potential through a rigorous, knowledge-rich curriculum that is grounded in the classical liberal arts tradition that holds intellectual and moral virtue as the noblest of aims. Once again, all True North schools received an A grade by the Florida Department of Education and rank amongst the top schools in Florida. True North's unique mission is present in the school culture. Parents are deeply appreciative of the moral and joyful school culture. This was reflected in the year-end parent surveys. Across the schools parent survey showed that 98% of parents rated the school an A or B on the question of "my child enjoys attending True North", and "True North positively shaped their children's character." The high level of parental enthusiasm is the main reason the school's reputation so quickly spread and resulted in over 3,500 students applying across our schools for the 2026-27 school year.

SCHOOL LOCATION

The School operates in the Miami area located at 6500 SW 97th Ave, Miami, FL 33173.

CAPITAL IMPROVEMENT REQUIREMENT

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

GOVERNMENTAL FUNDS

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

At the end of the fiscal year, the School's governmental funds had an increase in fund balance of \$690,365 and reported a combined fund balance of \$1,832,987 in its fifth full year of operations.

CAPITAL AND RIGHT-TO-USE ASSETS

The School's investment in capital and right-to-use assets, as of June 30, 2026, amounts to \$3,491,999 (net of accumulated depreciation and amortization). This investment includes the right-to-use facilities of \$3,155,750, net of accumulated amortization and leasehold improvements, furniture and equipment, and textbooks of \$336,249 net of accumulated depreciation.

Management's Discussion and Analysis
True North Classical Academy at Gateway
June 30, 2026

GOVERNMENTAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 2,915,407	\$ 2,915,407	\$ 2,950,807
Local tax referendum	502,837	502,837	607,283
State capital outlay funding	200,000	200,000	217,865
Federal grants	125,000	125,000	580,566
Charges for services	282,890	282,890	193,274
Fundraising and other miscellaneous local sources	134,105	134,105	149,881
TOTAL REVENUES	4,160,239	4,160,239	4,699,676
EXPENDITURES			
Instruction	1,777,824	1,777,824	1,791,159
Student and instructional support	-	-	350
General administration	-	-	41,405
School administration	221,779	221,779	387,630
Central services	161,500	161,500	162,945
Fiscal services	52,856	52,856	100,603
Food services	55,397	55,397	61,295
Operation of plant	549,470	549,470	557,378
Maintenance of plant	-	-	124,258
Administrative technical services	33,588	33,588	25,064
Community services	83,051	83,051	101,130
Student and extracurricular activities	181,170	181,170	114,634
Other capital outlay	175,323	175,323	162,120
Debt service	408,708	408,708	379,340
TOTAL EXPENDITURES	3,700,666	3,700,666	4,009,311
 Net change in fund balance	 <u>\$ 459,573</u>	 <u>\$ 459,573</u>	 <u>\$ 690,365</u>

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Mr. Leandro Gonzalez located at 6500 SW 97th Avenue, Miami, FL 33173.

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
STATEMENT OF NET POSITION
JUNE 30, 2026

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,929,603
Due from other agencies	63,802
Prepaid expenses	<u>25,364</u>
TOTAL CURRENT ASSETS	2,018,769
 CAPITAL AND RIGHT-TO-USE ASSETS, NET	 <u>3,491,999</u>
TOTAL ASSETS	<u><u>\$ 5,510,768</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 8,083
Accrued wages payable	177,699
Right-to-use liability - current portion	<u>82,976</u>
TOTAL CURRENT LIABILITIES	268,758
 Right-to-use liability - long-term portion	 <u>3,460,119</u>
TOTAL LIABILITIES	3,728,877
 NET POSITION	
Net investment in capital assets	(51,096)
Restricted	81,043
Unrestricted	<u>1,751,944</u>
TOTAL NET POSITION	<u>1,781,891</u>
 TOTAL LIABILITIES AND NET POSITION	 <u><u>\$ 5,510,768</u></u>

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

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,854,051	\$ -	\$ 555,723	\$ -	\$ (1,298,328)
Student and instructional support	350	-	-	-	(350)
General administration	41,405	-	-	-	(41,405)
School administration	481,896	-	-	-	(481,896)
Central services	162,945	-	-	-	(162,945)
Fiscal services	100,603	-	-	-	(100,603)
Food services	61,295	28,307	24,843	-	(8,145)
Operation of plant	819,264	-	-	217,865	(601,399)
Maintenance of plant	124,258	-	-	-	(124,258)
Administrative technology services	25,064	-	-	-	(25,064)
Community services	101,130	164,967	-	-	63,837
Student and extracurricular activities	114,634	-	-	-	(114,634)
Interest expense	183,224	-	-	-	(183,224)
Total Governmental Activities	\$ 4,070,119	\$ 193,274	\$ 580,566	\$ 217,865	\$ (3,078,414)

GENERAL REVENUES:

Government grants not restricted to specific programs	\$ 2,950,807
Local tax referendum	607,283
Fundraising and other miscellaneous local sources	149,881
Total general revenues	<u>3,707,971</u>

Change in Net Position 629,557

NET POSITION - BEGINNING 1,152,334

NET POSITION - ENDING \$ 1,781,891

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

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,929,603	\$ -	\$ -	\$ 1,929,603
Due from other agencies	-	46,038	17,764	63,802
Due from fund	17,764	35,005	-	52,769
Prepaid expenses	25,364	-	-	25,364
TOTAL ASSETS	<u>\$ 1,972,731</u>	<u>\$ 81,043</u>	<u>\$ 17,764</u>	<u>\$ 2,071,538</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 8,083	\$ -	\$ -	\$ 8,083
Accrued wages payable	177,699	-	-	177,699
Due to fund	35,005	-	17,764	52,769
TOTAL LIABILITIES	<u>220,787</u>	<u>-</u>	<u>17,764</u>	<u>238,551</u>
FUND BALANCE				
Nonspendable	25,364	-	-	25,364
Restricted	-	81,043	-	81,043
Unassigned	1,726,580	-	-	1,726,580
TOTAL FUND BALANCE	<u>\$ 1,751,944</u>	<u>\$ 81,043</u>	<u>\$ -</u>	<u>\$ 1,832,987</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,972,731</u>	<u>\$ 81,043</u>	<u>\$ 17,764</u>	<u>\$ 2,071,538</u>

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

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2026

Total Fund Balance - Governmental Funds		\$ 1,832,987
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 in the fund.		
	Capital assets	867,966
	Accumulated depreciation	(531,717)
Right-to-use assets and liabilities used in governmental activities are not financial resources or obligations and therefore are not reported.		
	Right-to-use asset	3,155,750
	Right-to-use liability	(3,543,095)
Total Net Position - Governmental Activities		<u>\$ 1,781,891</u>

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

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Funds	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
State passed through local	\$ 2,950,807	\$ -	\$ -	\$ 2,950,807
Local tax referendum	607,283	-	-	607,283
State capital outlay funding	-	-	217,865	217,865
Federal grants	-	580,566	-	580,566
Charges for services	164,967	28,307	-	193,274
Fundraising and other miscellaneous local sources	-	149,881	-	149,881
TOTAL REVENUES	3,723,057	758,754	217,865	4,699,676
EXPENDITURES				
Current:				
Instruction	1,235,436	555,723	-	1,791,159
Student and instructional support	350	-	-	350
General administration	41,405	-	-	41,405
School administration	387,630	-	-	387,630
Central services	162,945	-	-	162,945
Fiscal services	100,603	-	-	100,603
Food services	8,145	53,150	-	61,295
Operation of plant	557,378	-	-	557,378
Maintenance of plant	124,258	-	-	124,258
Administrative technical services	25,064	-	-	25,064
Community services	101,130	-	-	101,130
Student and extracurricular activities	-	114,634	-	114,634
Capital Outlay:				
Other capital outlay	162,120	-	-	162,120
Debt Service:				
Payments on right-to-use liabilities	-	-	196,116	196,116
Interest	161,475	-	21,749	183,224
TOTAL EXPENDITURES	3,067,939	723,507	217,865	4,009,311
NET CHANGE IN FUND BALANCE	655,118	35,247	-	690,365
Fund balance at beginning of year	1,096,826	45,796	-	1,142,622
Fund balance at end of year	<u>\$ 1,751,944</u>	<u>\$ 81,043</u>	<u>\$ -</u>	<u>\$ 1,832,987</u>

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

**TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026**

Change in Fund Balance - Governmental Funds	\$ 690,365
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays	162,120
Depreciation expense	(174,719)

In the statement of activities, amortization of the right-to-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense. The governmental funds report principal repayments of the lease liability as an expenditure, while the payment reduces the liability in the statement of activities.

Amortization expense	(244,325)
Payments on right-to-use liabilities	196,116

Change in Net Position of Governmental Activities	<u>\$ 629,557</u>
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The accompanying notes are an integral part of this financial statement.

**TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

True North Classical Academy at Gateway, (the “School”) is a charter school sponsored by the School Board of Miami-Dade County, Florida (the “District”). The School’s charter is held by True North Classical Academy, Inc. (the “Organization”), a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors, which is comprised of five members.

The basic financial statements of the School present only the balances, activity, and disclosures related to the School. The basic financial statements do not purport to, and do not, present fairly the financial position of the Organization as of June 30, 2026, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Miami-Dade County, Florida. The current charter is effective until June 30, 2041. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed for up to an additional 5 years by mutual agreement.

These financial statements are as of and for the year ended June 30, 2026, when 323 students were enrolled in grades K – 5.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

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

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

Capital Projects Fund – used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of True North Classical Academy at Gateway, (the “School”) are prepared in accordance with generally accepted accounting principles (GAAP). The School’s reporting entity applies all relevant GASB *Codification of Accounting and Financial Reporting Guidelines*.

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

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the fund level. Any revisions to the annual budget are approved by the board.

Cash and Cash Equivalents

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

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Due from Other Agencies

Due from other agencies consists of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources.

Capital Assets, Depreciation and Amortization

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

Furniture and equipment	3-7 Years
Leasehold improvements	5 Years
Textbooks	3 Years

Compensated Absences

The School grants a specific number of days for sick/personal leave. Full-time office and administrative employees are eligible for up to ten days of active work during the ten-month period (a “benefit year”). Teachers are eligible for up to seven days of active work during the benefit year. In the event that available time is not used by the end of the benefit year, employees may not “rollover” all unused days for use in future benefit years.

Pursuant to recently issued GASB Statement No. 101, *Compensated Absences*, only leave that accumulates should be recognized as a liability for leave that has not been used because if it does not accumulate, a government would not have an obligation for it at the date of the financial statements. For organizations with use-it-or-lose it policies, for which any unused leave is forfeited at the end of the fiscal year, there is no obligation to provide time off or payment or settlement in a future period. Accordingly, no liability for compensated absences is reported in these financial statements. See Adopted Accounting Pronouncements.

Government-wide Fund Net Position

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

- Net investment in capital and right-to-use assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. Also, includes right-to-use assets, net of amortization, reduced by the right-to-use liability. The net investment in capital assets for the year ending June 30, 2026, was \$(51,096).
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position at June 30, 2026 was \$81,043.
- Unrestricted – all other net position is reported in this category, including amounts due from affiliates and charter schools.

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances

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

- 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). At June 30, 2026, the School's nonspendable fund balance was \$25,364.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2026, the School's restricted fund balance was \$81,043.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. At June 30, 2026, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2026, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School's general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First, Non-spendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2026, there are no minimum fund balance requirements for any of the School's funds.

Revenue Sources

Revenues for operations will be 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, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods.

The School may also receive federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expensed. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made for the School in the accompanying financial statements. The Academy has evaluated its tax position for all open tax years and has not identified any uncertain tax positions prior to year ending June 30, 2023.

Use of Estimates

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

Adopted Accounting Pronouncements

In June 2022, GASB issued Statement No. 101 (“GASB 101”), *Compensated Absences*, which establishes a unified model for the recognition and measurement of all types of compensated absences, such as vacation leave, sick leave, and paid time off. This Statement replaces the prior guidance in GASB Statement No. 16 and requires that a liability be recognized as leave is earned, regardless of whether it vests or is contingent on future events, to the extent it is more likely than not to be used for time off in a future reporting period or otherwise paid to the employee.

The School grants a specific number of days for sick/personal leave each benefit year. Unused days do not carry forward to subsequent benefit years and are not paid out under any circumstance (“use-it-or-lose-it” policy). Because no leave earned in the current year results in a future obligation once the benefit year ends, the School determined that no liability for compensated absences is required under GASB 101.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 8, 2026, which is the date the financial statements were available to be issued.

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 3 – CAPITAL AND RIGHT-TO-USE ASSETS

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

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Capital Assets				
Leasehold improvements	\$ 87,806	\$ -	\$ -	\$ 87,806
Furniture, fixtures and equipment	422,854	122,079	-	544,933
Textbooks	195,186	40,041	-	235,227
Total Capital Assets	705,846	162,120	-	867,966
Less Accumulated Depreciation				
Leasehold improvements	(39,414)	(17,561)	-	(56,975)
Furniture, fixtures and equipment	(213,992)	(94,266)	-	(308,258)
Textbooks	(103,592)	(62,892)	-	(166,484)
Total Accumulated Depreciation	(356,998)	(174,719)	-	(531,717)
Capital Assets, net	<u>\$ 348,848</u>	<u>\$ (12,599)</u>	<u>\$ -</u>	<u>\$ 336,249</u>

Depreciation expense for the year ended June 30, 2026, was \$174,719, of which \$62,892 was allocated to instruction, \$94,266 was allocated to school administration, and \$17,561 was allocated to operation of plant.

The following schedule provides changes in right-to-use assets (see Note 6):

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Right-to-use assets				
Right-to-use asset- Facilities	\$ 4,122,632	\$ -	\$ -	\$ 4,122,632
Total right-to-use	4,122,632	-	-	4,122,632
Less accumulated amortization				
Right-to-use asset- Facilities	(722,557)	(244,325)	-	(966,882)
Total accumulated amortization	(722,557)	(244,325)	-	(966,882)
Right-to-use assets, net	<u>\$ 3,400,075</u>	<u>\$ (244,325)</u>	<u>\$ -</u>	<u>\$ 3,155,750</u>

Amortization expense for the year ended June 30, 2026 was \$244,325, which was allocated to operation of plant.

**TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026**

NOTE 4 – DUE FROM OTHER AGENCIES

Amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds consist of amounts due for special revenue funds and capital projects fund, which total \$46,038 and \$17,764 respectively.

NOTE 5 – TRANSACTIONS WITH RELATED PARTIES

The Organization operates two other charter schools: True North Classical Academy and True North Classical Academy at Pinecrest. Through the Board, management allocates a proportionate share of certain administrative salaries and other expenses based on student enrollment. The Organization and its other charter schools also advance and repay amounts to the School and vice versa.

The Organization charges its affiliate schools an assessment fee of \$500 per student for fiscal and administrative services. During the year ended June 30, 2026, the School was charged approximately \$162,000 in connection with these services. In addition, the Organization charges the School for use of facilities based on debt service incurred by the Organization under financing arrangements related to the facilities. See Note 6.

At June 30, 2026, there were no amounts due (to) from related parties.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

True North Classical Academy, Inc. entered into an agreement to lease the School's facilities, commencing August 1, 2021 through July 2046. The School's annual Base Rent is equal to \$800 per student paid in equal monthly installments based on the students that existed as of the commencement date of the agreement. Subsequent to the initial lease year and at the beginning of each subsequent year the Base Rent shall increase to the lesser of (i) the product of the Base Rent times a number equal to the percentage increase in the CPI over a 12-month period, calculated by using the most recently published CPI and the CPI published 12 months earlier, or (2) two percent (2%) per annum. During the year ended June 30, 2026 the School received credits of \$350 per student under the terms of the agreement and the amount paid by the School for usage of the facilities was \$198,226.

In addition, the Organization funded the expansion of the School's facilities on the leased property, which allowed the School to utilize additional space during the year ended June 30, 2023. Commencing July 2022, the School shall pay monthly rent to the Organization, which is equal to the Organization's debt service obligations under financing arrangements undertaken to fund the expansion. Monthly rent shall be paid through February 2055, the date in which current financing obligations are expected to mature. During the year ended June 30, 2026, the School paid \$408,708.

The School has implemented GASB No. 87 *Leases* and as a result, has recorded a right-to-use asset and liability in these financial statements for the above facility arrangements as of their commencement dates. The School used an interest rate of 5% based on the average incremental borrowing rate of the Organization to discount the annual lease payments and recognize the intangible right to use asset and the lease liability. During the year ended June 30, 2026, the interest expense related to the right to use liability was \$183,224 and the amortization expense of the right to use assets was \$244,325.

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 6 – COMMITMENTS AND CONTINGENCIES (Continued)

	Balance July 1, 2025	Additions	Decreases	Balance June 30, 2026
Right-to-use liability- Facilities	\$ 3,739,211	\$ -	\$ (196,116)	\$ 3,543,095
	<u>\$ 3,739,211</u>	<u>\$ -</u>	<u>\$ (196,116)</u>	<u>\$ 3,543,095</u>

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

Fiscal Year Ended	Principal	Interest	Total	
2027	\$ 82,976	\$ 175,380	\$ 258,356	
2028	63,165	172,170	\$ 235,335	
2029	67,916	168,912	\$ 236,828	
2030	72,940	165,411	\$ 238,351	
2031	78,252	161,663	\$ 239,915	
2032-2036	482,120	741,813	\$ 1,223,933	(Total for 5 Year Period)
2037-2041	667,884	599,818	\$ 1,267,702	(Total for 5 Year Period)
2042-2046	911,337	404,689	\$ 1,316,026	(Total for 5 Year Period)
2047-2051	600,497	211,803	\$ 812,300	(Total for 5 Year Period)
2052-2055	516,009	51,676	\$ 567,685	(Total for 4 Year Period)
	<u>\$ 3,543,095</u>	<u>\$ 2,853,336</u>	<u>\$ 6,396,432</u>	

The School also entered into an arrangement for use of an athletic field. The School pays \$2,500 on a month-to-month basis as needed. This short-term arrangement is not included in the right-to-use asset and liability. During the year ended June 30, 2026, the School paid \$30,000 for use of the athletic field.

NOTE 7 – DEPOSITS POLICY AND CREDIT RISK

It is the School's policy to maintain its cash and cash equivalents in major banks. As of June 30, 2026, the bank balance of the School's operating cash deposit account was \$1,929,603. The School is a charter school under the Organization, which also operates other schools. All bank accounts are opened under the account ownership of the Organization. Therefore, bank balances at times may potentially be in excess of Federal Depository Insurance Corporation (FDIC) limit of \$250,000. As of June 30, 2026, the School's bank balance in potential excess of FDIC coverage was \$1,598,123.

NOTE 8 – GRANTS

In the normal course of operations, the School receives grant funds from various federal, state, and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements.

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 9 – RISK MANAGEMENT

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

NOTE 10 – INTERFUND BALANCES

Interfund receivables/payables (“due from/to”) are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund. Interfund balances in governmental funds as of June 30, 2026 consisted of amounts due to the general fund from the capital projects fund of \$17,764 and amounts due to the special revenue fund from the general fund of \$35,005.

REQUIRED SUPPLEMENTARY INFORMATION

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET
AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund				
	Original Budget	Final Budget	Actual	Final to Original Budget Variance	Actual to Final Budget Variance
REVENUES					
State passed through local	\$ 2,915,407	\$ 2,915,407	\$ 2,950,807	\$ -	\$ 35,400
Local tax referendum	502,837	502,837	607,283	-	104,446
Charges and other miscellaneous local sources	282,890	282,890	164,967	-	(117,923)
TOTAL REVENUES	<u>3,701,134</u>	<u>3,701,134</u>	<u>3,723,057</u>	<u>-</u>	<u>21,923</u>
EXPENDITURES					
Instruction	1,777,824	1,777,824	1,235,436	-	(542,388)
Student and instructional support	-	-	350	-	350
General administration	-	-	41,405	-	41,405
School administration	221,779	221,779	387,630	-	165,851
Central services	161,500	161,500	162,945	-	1,445
Fiscal services	52,856	52,856	100,603	-	47,747
Food services	-	-	8,145	-	8,145
Operation of plant	479,867	479,867	557,378	-	77,511
Maintenance of plant	-	-	124,258	-	124,258
Administrative technical services	33,588	33,588	25,064	-	(8,524)
Community services	83,051	83,051	101,130	-	18,079
Student and extracurricular activities	55,397	55,397	-	-	(55,397)
Other capital outlay	175,323	175,323	162,120	-	(13,203)
Debt service	408,708	408,708	161,475	-	(247,233)
TOTAL EXPENDITURES	<u>3,449,893</u>	<u>3,449,893</u>	<u>3,067,939</u>	<u>-</u>	<u>(390,099)</u>
Net change in fund balance	<u>\$ 251,241</u>	<u>\$ 251,241</u>	<u>\$ 655,118</u>	<u>\$ -</u>	<u>\$ 412,022</u>

See accompanying note to the required supplementary information.

TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET
AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Special Revenue Fund				
	Original Budget	Final Budget	Actual	Final to Original Budget Variance	Actual to Final Budget Variance
REVENUES					
Federal grants	\$ 125,000	\$ 125,000	\$ 580,566	\$ -	\$ 455,566
Charges and other miscellaneous local sources	134,105	134,105	178,188	-	44,083
TOTAL REVENUES	259,105	259,105	758,754	-	499,649
EXPENDITURES					
Instruction	-	-	555,723	-	555,723
Food services	55,397	55,397	53,150	-	(2,247)
Operation of plant	69,603	69,603	-	-	(69,603)
Student and extracurricular activities	125,773	125,773	114,634	-	(11,139)
TOTAL EXPENDITURES	250,773	250,773	723,507	-	472,734
Change in fund balance	\$ 8,332	\$ 8,332	\$ 35,247	\$ -	\$ 26,915

See accompanying note to the required supplementary information.

**TRUE NORTH CLASSICAL ACADEMY AT GATEWAY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2026**

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2026 was not amended during the fiscal year. During the fiscal year, expenditures were controlled at the fund level.

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

Budgets are presented on the modified accrual basis of accounting.

Significant Budgetary Variances

Special Revenue Fund

Federal grant revenues exceeded budgeted amounts primarily due to additional Charter Schools Program (CSP) funding awarded and received during the year, as well as E-rate grant funding that was not included in the original budget.



Verdeja • Alvarez

Certified Public Accountants & Advisors



Octavio F. Verdeja, Founder - 1971

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Armando Aburto, C.P.A.
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Viviana Bruno, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

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

Board of Directors of
True North Classical Academy at Gateway
Miami, 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 True North Classical Academy at Gateway (the "School"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 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) to determine the 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 may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 8, 2026



MANAGEMENT LETTER

Board of Directors of
True North Classical Academy at Gateway
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of True North Classical Academy at Gateway (the "School"), a non-major component unit of the District School Board of Miami-Dade 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; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

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

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the School code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code of the entity is True North Classical Academy at Gateway, 131024.

Financial Condition and Management

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, have led us to believe that the School's overall financial condition as of June 30, 2026 is not deteriorating.

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 us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not 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, and applicable management and True North Classical Academy, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 8, 2026