



**The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus**  
(A Charter School under The Charter Schools of Excellence, Inc.  
and a Component Unit of The School Board of Broward County, Florida)

Pembroke Pines, Florida

Financial Statements and  
Independent Auditors' Report

June 30, 2025

## TABLE OF CONTENTS

General Information . . . . .	1
Independent Auditors' Report. . . . .	2-4
Management's Discussion and Analysis (Required Supplementary Information) . . . . .	5-9
 <b>Basic Financial Statements:</b>	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position . . . . .	10
Statement of Activities. . . . .	11
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds. . . . .	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position. . . . .	13
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds. . . . .	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities. . . . .	15
<i>Notes to the Basic Financial Statements</i> . . . . .	16-34
 <b>Required Supplementary Information:</b>	
Budgetary comparison schedules. . . . .	35-36
Pension Schedules	
Schedule of the School's Proportionate Share of the Net Pension Liability – Florida Retirement System. . . . .	37
Schedule of the School's Contributions – Florida Retirement System. . . . .	38
Schedule of the School's Proportionate Share of the Net Pension Liability – Health Insurance Subsidy . . . . .	39
Schedule of the School's Contributions – Health Insurance Subsidy. . . . .	40
 <b>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> . . . . .</b>	
Management Letter . . . . .	41-42
	43-44

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

W/L #: 5271

2801 North University Drive,  
Pembroke Pines, Florida 33024

2024-2025

**BOARD OF DIRECTORS**

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

**SCHOOL ADMINISTRATION**

Robert Haag, Superintendent  
Rachel Perry, Principal



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus  
Pembroke Pines, Florida

### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major of The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus (the "School"), a charter school under The Charter Schools of Excellence, Inc., which is a component unit of the District School Board of Broward County, as of, and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

4000 Ponce de Leon Blvd., Suite 610, Coral Gables, FL 33146 • Tel: 305.446.3022 • Fax: 305.446.6319  
[www.hlbgravier.com](http://www.hlbgravier.com)

HLB Gravier, LLP is a member of  A world-wide organization of accounting firms and business advisers.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Emphasis of a Matter – Presentation***

As described in Note 1, the accompanying financial statements referred to above present only the financial position and change in financial position of The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus that is attributable to the transactions of the School and is not intended to be a complete presentation of The Charter Schools of Excellence, Inc. These financial statements do not purport to, and do not, present fairly the financial position of The Charter Schools of Excellence, Inc. as of June 30, 2025 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pensions schedules on pages 5-9, 35-36 and 37-40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 30, 2025

## **Management's Discussion and Analysis**

The Charter Schools of Excellence, Inc. #5271 Davie Campus 1  
(A Charter School Under The Charter Schools of Excellence, Inc.)  
June 30, 2025

The corporate officers of The Charter Schools of Excellence, Inc. have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2025.

### **Financial Highlights**

1. The net position of the Charter School at June 30, 2025 was \$748,555.
2. At year-end, the School had current assets on hand of \$871,474.
3. The net position of the School increased by \$491,350 during the year.
4. The unassigned fund balance at year end was \$720,546.

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

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

#### *Government-Wide Financial Statements*

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

The *Statement of Net Position* presents information on all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between the four 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 when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

#### *Fund Financial Statements*

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

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

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for the major 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 16-34 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$748,555 at the close of the fiscal year. A summary of the School's net position as of June 30, 2025 and 2024 follows:

	<b>2025</b>	<b>2024</b>
Cash	\$ 593,587	\$ 262,069
Prepaid expenses	7,444	48,935
Due from other agencies	270,443	259,417
Due to other divisions of The Charter Schools of Excellence, Inc.	679,701	428,675
Capital and right of use assets, net	928,535	998,390
<b>Total Assets</b>	<b>2,479,710</b>	<b>1,997,486</b>
 <b>Deferred outflows of resources</b>	 571,680	 560,311
Accounts payable and accrued liabilities	24,499	73,591
Salaries and wages payable	116,897	115,071
Compensated absences	1,621	-
Lease obligations and loan payable	503,010	491,271
Net pension liability	1,308,496	1,241,103
<b>Total Liabilities</b>	<b>1,954,523</b>	<b>1,921,036</b>
 <b>Deferred inflows of resources</b>	 348,312	 379,556
 <b>Net Position:</b>	 	 
Net investment in capital assets	425,525	507,119
Unrestricted	323,030	(249,914)
<b>Total Net Position</b>	<b>\$ 748,555</b>	<b>\$ 257,205</b>

At the end of the fiscal year, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2025 and June 30, 2024 follows:

	<u>2025</u>	<u>2024</u>
<b>REVENUES</b>		
Program Revenues		
Operating grants and contributions	\$ 506,465	\$ 249,645
Capital grants and contributions	204,396	172,327
Charges for services	17,627	43,043
General Revenues		
State and local sources	2,401,027	2,444,240
Other revenue	68,812	724
<b>Total Revenues</b>	<u>\$ 3,198,327</u>	<u>\$ 2,909,979</u>
<b>EXPENSES</b>		
Instruction	\$ 1,253,088	\$ 1,554,593
Student support services	26,596	52,296
Instruction and curriculum development	16,064	53,795
Instructional staff training	10,950	36,928
Board	44,250	22,342
School administration	467,437	385,125
Fiscal services	63,750	77,459
Food services	139,213	158,117
Central services	65,511	40,410
Pupil transportation services	96,831	103,484
Operation of plant	452,887	538,840
Maintenance of plant	20,888	11,952
Administrative technology services	27,658	42,239
Community services	-	33,828
Debt service	21,854	27,079
<b>Total Expenses</b>	<u>2,706,977</u>	<u>3,138,487</u>
Change in Net Position	491,350	(228,508)
Net Position at Beginning of Year	257,205	485,713
<b>Net Position at End of Year</b>	<u>\$ 748,555</u>	<u>\$ 257,205</u>

The School's revenues increased by \$288,348 and expenses decreased by \$431,510. The School had an increase in its net position of \$491,350 for the year.

### **School Location and Lease of Facility**

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

### **Capital Improvement Requirements**

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, the *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.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$727,990. The fund balance unassigned and available for spending at the School's discretion is \$720,546. These funds will be available for the School's future ongoing operations.

## **Capital Assets**

The School's investment in capital and right of use lease assets as of June 30, 2025 amounts to \$928,535 (net of accumulated depreciation and amortization). This investment in capital assets includes right-of-use asset (building), improvements, furniture, fixtures and equipment, and computer software. As of June 30, 2025, the School had \$503,010 of long term liabilities associated to its capital assets.

## Governmental Fund Budget Analysis and Highlights

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.

	Governmental Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Program Revenues			
Capital grants and contributions	\$ 285,889	\$ 204,396	\$ 204,396
Federal sources	227,000	506,465	506,465
Charges for services	-	14,276	14,276
General Revenues			
State and local sources	2,473,282	2,401,027	2,401,027
Charges and other revenues	33,350	72,163	72,163
Total Revenues	\$ 3,019,521	\$ 3,198,327	\$ 3,198,327
<b>CURRENT EXPENDITURES</b>			
Instruction	\$ 1,439,074	\$ 1,228,308	\$ 1,228,308
Student support services	129,415	26,596	26,596
Instruction and curriculum development	16,000	16,064	16,064
Instructional staff training	11,000	10,950	10,950
Board	5,000	44,250	44,250
School administration	361,473	408,956	408,956
Fiscal services	84,146	63,750	63,750
Food services	112,000	139,213	139,213
Central services	43,800	65,511	65,511
Pupil transportation services	120,000	96,831	96,831
Operation of plant	318,963	313,943	313,943
Maintenance of plant	13,600	20,888	20,888
Administrative technology services	45,600	27,658	27,658
Total Current Expenditures	\$ 2,700,071	\$ 2,462,918	\$ 2,462,918

Most variances occurred as a result of the Budget adopted being more conservative than actual results for the year.

## Requests for Information

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

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

Statement of Net Position

June 30, 2025

	Governmental Activities
<b><u>Assets</u></b>	
Current assets:	
Cash	\$ 593,587
Prepaid expenses and other current assets	7,444
Due from other agencies, net	<u>270,443</u>
Total current assets	<u>871,474</u>
Capital assets, net	
Capital assets, depreciable	1,454,113
Less: accumulated depreciation	(1,011,407)
Right-of-use lease asset	<u>956,838</u>
Less: accumulated amortization	<u>(471,009)</u>
Total Capital assets, net	<u>928,535</u>
Due from other divisions of CSE Inc., long-term	<u>679,701</u>
Total Assets	<u>2,479,710</u>
<b><u>Deferred Outflows of Resources</u></b>	
Deferred outflows related to pension liability	<u>571,680</u>
<b><u>Liabilities</u></b>	
Current liabilities:	
Accounts payable and accrued expenses	24,499
Salaries and wages payable	116,897
Compensated absences	1,621
Lease obligations , current	<u>149,935</u>
Total Current Liabilities	<u>292,952</u>
Net pension liability	1,308,496
Lease obligations	<u>353,075</u>
Total Liabilities	<u>1,954,523</u>
<b><u>Deferred Inflows of Resources</u></b>	
Deferred inflows related to pension liability	<u>348,312</u>
<b>Net Position:</b>	
Net investment in capital assets	425,525
Unrestricted	<u>323,030</u>
Total Net Position	<u>\$ 748,555</u>

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

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

Statement of Activities  
 For the year ended June 30, 2025

---

FUNCTIONS	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating	Capital	
			Grants and Contributions	Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 1,253,088	\$ -	\$ 427,939	\$ -	\$ (825,149)
Student support services	26,596	-	-	-	(26,596)
Instruction and curriculum development	16,064	-	-	-	(16,064)
Instructional staff training	10,950	-	-	-	(10,950)
Board	44,250	-	-	-	(44,250)
School administration	467,437	-	-	-	(467,437)
Fiscal services	63,750	-	-	-	(63,750)
Food services	139,213	14,276	78,526	-	(46,411)
Central services	65,511	-	-	-	(65,511)
Pupil transportation services	96,831	-	-	-	(96,831)
Operation of plant	452,887	-	-	204,396	(248,491)
Maintenance of plant	20,888	-	-	-	(20,888)
Administrative technology services	27,658	-	-	-	(27,658)
Community services	-	3,351	-	-	3,351
Debt service	21,854	-	-	-	(21,854)
<b>Total governmental activities</b>	<b>2,706,977</b>	<b>17,627</b>	<b>506,465</b>	<b>204,396</b>	<b>(1,978,489)</b>
General revenues:					
State and local sources					2,401,027
Interest income					29,301
Other revenues					39,511
Change in net position					491,350
Net position, beginning					257,205
Net position, ending					\$ 748,555

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

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

Balance Sheet - Governmental Funds

June 30, 2025

---

	Special General Fund	Capital Revenue Fund	Total Projects Funds	Total Governmental Funds
<b>Assets</b>				
Cash	\$ 593,120	\$ 467	\$ -	\$ 593,587
Prepaid expenses and other current assets	7,444	-	-	7,444
Due from other agencies	260,333	-	10,110	270,443
Due from fund	10,110	-	-	10,110
<b>Total Assets</b>	<b>871,007</b>	<b>467</b>	<b>10,110</b>	<b>881,584</b>
<b>Deferred Outflows of Resources</b>				
	-	-	-	-
<b>Liabilities</b>				
Accounts payable and accrued expenses	24,499	-	-	24,499
Salaries and wages payable	116,897	-	-	116,897
Compensated absences	1,621	-	-	1,621
Due to fund	-	-	10,110	10,110
<b>Total Liabilities</b>	<b>143,017</b>	<b>-</b>	<b>10,110</b>	<b>153,127</b>
<b>Deferred Inflows of Resources</b>				
	-	-	-	-
<b>Fund balance</b>				
Nonspendable	7,444	-	-	7,444
Assigned	-	467	-	467
Unassigned	720,546	-	-	720,546
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>727,990</b>	<b>467</b>	<b>-</b>	<b>728,457</b>
	<b>\$ 871,007</b>	<b>\$ 467</b>	<b>\$ 10,110</b>	<b>\$ 881,584</b>

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

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

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2025

---

Total Fund Balance - Governmental Funds	\$ 728,457
---	------------

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

Capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the fund.

Capital assets, depreciable and non-depreciable	1,454,113
Accumulated depreciation	(1,011,407)
Right-of-use lease asset	956,838
Less: accumulated amortization	<u>(471,009)</u> 928,535

Deferred outflows of resources related to pension liability	571,680
---	---------

Long term receivables in the governmental activities are not financial resources and therefore are not reported in the governmental funds.	679,701
--	---------

Noncurrent liabilities, including net pension liability, are not due and payable in the current period and, therefore, are not reported in the fund.

Net pension liability	(1,308,496)
Deferred inflows of resources	(348,312)

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	<u>(503,010)</u>
---	------------------

Total Net Position - Governmental Activities	\$ 748,555
--	------------

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

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

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
 For the year ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Funds	Total Governmental Funds
<b>Revenues:</b>				
State capital outlay funding	\$ -	\$ -	\$ 138,272	\$ 138,272
Local sources	518,942	-	66,124	585,066
State passed through local	1,882,085	-	-	1,882,085
Federal sources	-	506,465	-	506,465
Charges for services	-	14,276	-	14,276
Other revenue	53,314	18,849	-	72,163
<b>Total Revenues</b>	<b>2,454,341</b>	<b>539,590</b>	<b>204,396</b>	<b>3,198,327</b>
<b>Expenditures:</b>				
<b>Current</b>				
Instruction	1,143,223	85,085	-	1,228,308
Student support services	26,596	-	-	26,596
Instruction and curriculum development	16,064	-	-	16,064
Instructional staff training	10,950	-	-	10,950
Board	44,250	-	-	44,250
School administration	408,956	-	-	408,956
Food services	-	139,213	-	139,213
Fiscal services	63,750	-	-	63,750
Central services	65,511	-	-	65,511
Pupil transportation services	96,831	-	-	96,831
Operation of plant	242,636	-	71,307	313,943
Maintenance of plant	20,888	-	-	20,888
Administrative technology services	27,658	-	-	27,658
<b>Capital Outlay:</b>				
Other capital outlay	127,570	-	-	127,570
<b>Debt Service:</b>				
Repayment of lease and long-term liabilities	-	-	115,831	115,831
Interest	4,596	-	17,258	21,854
<b>Total Expenditures</b>	<b>2,299,479</b>	<b>224,298</b>	<b>204,396</b>	<b>2,728,173</b>
<b>Excess (deficit) of revenues over expenditures</b>	<b>154,862</b>	<b>315,292</b>	<b>-</b>	<b>470,154</b>
<b>Other financing sources (uses)</b>				
Transfers in (out)	320,024	(320,024)	-	-
Increase in lease liabilities	127,570	-	-	127,570
Long-term advances to other charter schools	(251,026)	-	-	(251,026)
<b>Net change in fund balance</b>	<b>351,430</b>	<b>(4,732)</b>	<b>-</b>	<b>346,698</b>
<b>Fund Balance at beginning of year</b>	<b>376,560</b>	<b>5,199</b>	<b>-</b>	<b>381,759</b>
<b>Fund Balance at end of year</b>	<b>\$ 727,990</b>	<b>\$ 467</b>	<b>\$ -</b>	<b>\$ 728,457</b>

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

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

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the year ended June 30, 2025

---

Net Change in Fund Balance - Governmental Funds	\$ 346,698
---	------------

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differed from depreciation and amortization expense.

Right of use lease asset capital outlay	127,570
Depreciation and amortization expense	<u>(197,425)</u>
	(69,855)

Increase in long-term receivables is an expenditure in the governmental funds, but a decrease or collections of such receivables reduces long-term assets in the statement of net position. This is the amount by which an increase in long-term receivables exceeded collections of \$-0- in the current period.

251,026

Increase in long term liabilities is revenue in the governmental funds, but a decrease or repayment of such payables reduces liabilities in the statement of net position.

Increases in long-term liabilities	(127,570)
Principal reductions on long-term liabilities	<u>115,831</u>
	(11,739)

The changes in net pension liability and related deferred inflows and outflows are not reported in the fund statements and the net effect is to decrease net position.

(24,780)

Change in Net Position of Governmental Activities	<u>\$ 491,350</u>
---	-------------------

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

## **Note 1 – Summary of Significant Accounting Policies**

### Reporting Entity

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

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

The School is located in Pembroke Pines, Florida for students from kindergarten through fifth grade. These financial statements are for the year ended June 30, 2025, when on average 223 students were enrolled for the school year.

### Basis of Presentation

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

### Government-wide and Fund Financial Statements

#### *Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal inter-fund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements also do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services, such as food service and student activity fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants and contributions specific to capital outlay. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other state and local sources.

## **Note 1 – Summary of Significant Accounting Policies (continued)**

### *Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds:

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

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

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

### Measurement Focus and Basis of Accounting

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

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

Non-exchange transactions occur when the School provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable.

**Note 1 – Summary of Significant Accounting Policies (continued)**

When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt and compensated absences, which are reported as expenditures when due. General capital asset acquisitions are reported as expenditures in governmental funds.

**Budgets and Budgetary Accounting**

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

**Cash and Cash Equivalents**

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

**Capital Assets**

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide financial statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds.

The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

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

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

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### Prepaid Expenses and Other Assets

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

#### Inter-fund Transfers

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

#### Due from Other Governments or Agencies

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

#### Compensated Absences

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

Full time employees of the School, after 30 days of employment, are entitled to be paid for eight or ten days of sick leave in each calendar year, depending on whether they are ten or twelve month employees, respectively. In the event of termination, each qualifying employee is not entitled to receive payment for accumulated unused sick days. Each full-time twelve-month employee is entitled to annual paid vacation leave, which is accrued when earned. The amount of paid vacation time ranges from five days after one-year employment to fifteen days after ten years employment. In the event of termination, each qualifying employee is entitled to receive payment equal to one hundred percent of the value of the total accumulated unused vacation days. The compensated absences liability includes an accrual for the awarded vacation time for services already rendered.

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

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Deferred Outflows/Inflows of Resources**

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

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

**Net Pension Liability**

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

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

**Revenue Sources**

Revenues for current operations are received primarily from State through the the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made. In addition, the School receives a portion of the local operating millage revenues levied by the District ("Secure the Next Generation Referendum").

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

### **Note 1 – Summary of Significant Accounting Policies (continued)**

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

#### Net Position and Fund Balance Classification

##### *Government-wide financial statements*

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

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

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

##### *Fund financial statements*

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

- a) Nonspendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). All nonspendable fund balances at year end relate to not in spendable form assets.
- b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. There are no restricted fund balances at year end.
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification that is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. Assigned fund balances at year end pertain to the School's internal account.
- e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

**Note 1 – Summary of Significant Accounting Policies (continued)**

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

**Income Taxes**

The Charter Schools of Excellence, Inc. qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

**Use of Estimates**

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

**New Accounting Standard Adopted**

In fiscal year 2024, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: GASB Statement No. 100, Accounting Changes and Error Corrections. This adoption had no material effect on the School's financial statements as of June 30, 2024.

**New Accounting Standard Adopted**

In fiscal year 2025, the School adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The adoption of this statement did not have a material impact and was applied prospectively.

In fiscal year 2025, the School adopted Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide financial statement users with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The adoption of this statement did not have a material impact on the School's financial statements. This statement was applied prospectively.

**Pronouncements Issued But Not Yet Effective**

The GASB issued GASB Statement No. 103, *Financial Reporting Model Improvements* and Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Subsequent Events**

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2025, which is the date the financial statements were available to be issued.

**Note 2 – Capital Assets**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2025:

	Balance 07/01/24	Additions / Reclassification	Retirements / Reclassification	Balance 06/30/25
<b>Capital Assets, depreciable:</b>				
Improvements	\$ 1,099,483	\$ -	\$ -	\$ 1,099,483
Furniture, equipment and fixtures	354,630	-	-	354,630
Total Capital Assets, depreciable	1,454,113	-	-	1,454,113
Total Capital Assets	1,454,113	-	-	1,454,113
Less Accumulated Depreciation:				
Improvements	(738,000)	(17,543)	-	(755,543)
Furniture, equipment and fixtures	(197,383)	(58,481)	-	(255,864)
Total Accumulated Depreciation	(935,383)	(76,024)	-	(1,011,407)
Total Capital Assets, being depreciated, net	\$ 518,730	\$ (76,024)	\$ -	\$ 442,706
<b>Lease Assets:</b>				
Right of use lease asset (building)	\$ 829,268	\$ -	\$ -	\$ 829,268
Right of use lease asset (computer equipment)	-	127,570	-	127,570
Less accumulated amortization:	(349,608)	(121,401)	-	(471,009)
Total Lease Assets being amortized, net	479,660	6,169	-	485,829
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 998,390</b>	<b>\$ (69,855)</b>	<b>\$ -</b>	<b>\$ 928,535</b>

For the fiscal year ended June 30, 2025, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	Depreciation	Amortization
School administration	\$ 58,481	\$ -
Operation of plant	17,543	121,401
Total Expense	\$ 76,024	\$ 121,401

### **Note 3 – Deposits and Credit Risk**

#### Deposits

The School maintains its cash and cash equivalents in one financial institutions. Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under The Charter Schools of Excellence, Inc., which also operates another charter school. All bank accounts are opened under the account ownership of The Charter Schools of Excellence, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2025, balances in potential excess of FDIC coverage was approximately \$344,000.

### **Note 4 – Service Provider**

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

The agreement between the School and the service provider calls for a fee per full time equivalent (FTE) student per year. The agreement can be terminated at any time by the board with 30 day notice. During the year ended June 30, 2025, the School incurred approximately \$25,000 in service fees. Building Hope Services is located at 1225 SE 2nd Avenue, Fort Lauderdale, Florida, 33316.

### **Note 5 – Transactions with other Divisions of The Charter Schools of Excellence, Inc.**

The Charter Schools of Excellence, Inc. operates one other charter school. The schools operated by The Charter Schools of Excellence, Inc. share administrative staff, as well as other operating expenses.

As of June 30, 2025, there is \$67,9701 in long-term receivables due from The Charter Schools of Excellence, Inc. #5031 Fort Lauderdale 1 Campus, this receivable is non-interest bearing with no specific repayment terms. The following summarizes the changes in long-term receivables from The Charter Schools of Excellence, Inc. #5031 Fort Lauderdale 1 Campus during the year.

	Balance 06/30/24	Increases	Decreases	Balance 06/30/25
Due from CSE, Inc. Ft. Lauderdale 1	\$ 428,675	\$ 251,026	\$ -	\$ 679,701
Total Long Term Receivables	<u>\$ 428,675</u>	<u>\$ 251,026</u>	<u>\$ -</u>	<u>\$ 679,701</u>

#### Other

The School conducts certain business with a foundation controlled by its Superintendent. In addition. See Note 7.

**Note 5 – Transactions with other Divisions of The Charter Schools of Excellence, Inc. (continued)**

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

The Charter Schools of Excellence, Inc. has entered into a lease for its administrative offices and classrooms with a private foundation whose Board of Directors includes the Superintendent. From time to time funds are loaned between the Schools and the Foundation. See Note 6.

**Note 6 – Long Term Liabilities**

Lease – Building

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

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

The lease right of use asset and liability for the administrative offices is allocated between the School and The Charter Schools of Excellence, Inc. #5031 Fort Lauderdale 1 Campus based on enrollment and usage of facility. At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The School has used an average effective interest for several borrowings during fiscal year 2021 and 2022. The average borrowing rate was 5% which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability. At the time of the Amendment, the average borrowing rate used remained consistent with the initial measurement.

Equipment Financing Agreement

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

**Note 6 – Long Term Liabilities (continued)**

For the year ended June 30, 2024, interest expense totaled approximately \$22,000 as it relates to its lease agreements. For 2025, there were no variable and other payments in connection with the lease agreement not previously included in the measurement of the lease liability were recorded in rent expense.

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

	Balance 06/30/24	Increases	Decreases	Balance 06/30/25	Amount Due within 1 Year
Lease liability (building)	\$ 491,271	\$ -	\$ (115,831)	\$ 375,440	\$ 121,300
Equipment financing (computer equipment)	-	127,570	-	127,570	28,635
<b>Total Long Term Liabilities, net</b>	<b>\$ 491,271</b>	<b>\$ 127,570</b>	<b>\$ (115,831)</b>	<b>\$ 503,010</b>	<b>\$ 149,935</b>

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

Fiscal Year	Principal	Interest	Total
2026	\$ 149,935	\$ 23,973	\$ 173,908
2027	158,212	15,698	173,910
2028	158,621	7,152	165,773
2029	22,892	1,353	24,245
	<b>\$ 489,660</b>	<b>\$ 48,176</b>	<b>\$ 537,836</b>

**Note 7 – Contingencies and Concentrations**

Contingencies and Concentrations

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

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 5% of the qualifying revenues of the School. For the year ended June 30, 2025, administrative fees withheld by the School District totaled \$35,157.

### **Note 7 – Contingencies and Concentrations (continued)**

On November 6, 2018, and November 8, 2022, the voters of Broward County approved and renewed, respectively, the Secure the Next Generation Referendum to raise/maintain teacher compensation and improve school safety and security. The Broward County School District shares a portion with charter schools. The current renewal is set to expire on June 30, 2027. For the year ended June 30, 2025, the School's referendum revenues for the 2025 school year were approximately \$288,000 or 9% of total revenues, excluding referendum settlement payments.

#### **Legal Contingencies**

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

### **Note 8 – Risk Management**

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

### **Note 9 – Retirement Plans**

#### **Reporting Entity**

The Florida Department of Management Services, Division of Retirement (Division), is part of the primary government of the state of Florida and is responsible for administering the Florida Retirement System Pension Plan and Other State-Administered Systems (System). The School participates in two defined benefit plans administered by the Division. The Division issues a publicly-available, audited annual comprehensive financial report (ACFR) on behalf of the System that includes financial statements, notes and required supplementary information for each of the pension plans. The System's ACFR and the actuarial valuation reports, which provide detailed information about the plans, are available on line at:

[http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

The system's ACFR and actuarial reports may also be obtained by contacting the Division of Retirement at: Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, FL 32315-9000, or call 850-488-5706 or toll free at 877-377-1737

#### **Defined Benefit Pension Plan**

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

### **Note 9 – Retirement Plans (continued)**

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

The general classes of membership are as follows:

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

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service.

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

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits. The School had no DROP participants during fiscal 2025.

#### **Benefits Provided.**

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

### **Note 9 – Retirement Plans (continued)**

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

Contributions - The contribution rates for members are established, and may be amended, by the State of Florida. During the 2025 fiscal year, contribution rates were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	3.00%	11.51%
DROP Plan Participants	0.00%	19.13%
Florida Retirement System, Reemployed Retiree	(B)	(B)

(A) Employer rates include 2.00% for the post employment health insurance supplement and 0.06% for administrative costs of the Public Employee Optional Retirement Program.

(B) Contribution rates are dependant upon the retirement class in which reemployed.

Employer contributions are recognized by the FRS in the period in which the compensation becomes payable to the member and the School is statutorily committed to pay the contributions to the FRS. Employer contributions recognized by the FRS from the School were \$102,706 for the FRS and \$36,135 for the HIS for the year ended June 30, 2025.

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

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. The School had twenty nine Investment Plan participants during fiscal 2025.

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

The School reports a liability for its proportionate share of net pension liabilities. Net pension liabilities were measured as of June 30, 2024, and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of that date. The School's proportions of the net pension liability was based on the School's actuarially determined share of contributions to the pension plans, relative to the contributions of all participating entities.

**Note 9 – Retirement Plans (continued)**

At June 30, 2025, the School reported a liability of \$1,308,496 for its proportionate share of net pension liability, consisting of \$821,993 for the FRS and \$486,503 for the HIS. The School's proportion of the net pension liability was calculated using accrued retirement contributions for employers that were members of the FRS and HIS during fiscal years 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024.

At June 30, 2023 and 2024 the School's proportions for FRS were 0.001981136 and 0.002124852 percent respectively; the School's proportions for HIS were 0.002844111 and 0.003243143 percent, respectively.

For the year ended June 30, 2025, the School recognized a net pension expense after GASB 68 adjustments of \$156,532. Employer contributions in the allocated schedules for the defined benefit plans represent contributions specific to each defined benefit plan and do not equal total blended contributions remitted by the employer. The year-to-year pension expense number is likely to be volatile.

At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>Florida Retirement System</b>		
Difference between expected and actual experience	\$ 83,043	\$ -
Changes of assumptions or other inputs	112,662	-
Net difference between projected and actual earnings on pension plan investments	-	54,634
Changes in proportion and differences between contributions recognized and proportionate share of contributions	109,506	144,939
Contributions subsequent to the measurement date	102,706	-
<b>Total Florida Retirement System</b>	<b>\$ 407,917</b>	<b>\$ 199,573</b>
 <b>Health Insurance Subsidy Program</b>		
Difference between expected and actual experience	\$ 4,698	\$ 934
Changes of assumptions or other inputs	8,610	57,596
Net difference between projected and actual earnings on pension plan investments	-	176
Changes in proportion and differences between contributions recognized and proportionate share of contributions	114,320	90,033
Contributions subsequent to the measurement date	36,135	-
<b>Total Health Insurance Subsidy Program</b>	<b>\$ 163,763</b>	<b>\$ 148,739</b>

**Note 9 – Retirement Plans (continued)**

Contributions of \$138,841, consisting of \$102,706 for the FRS and \$36,135 for the HIS, are reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the pension liability in the year ended June 30, 2024.

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

	FRS	HIS	TOTAL
2023	\$ (12,496)	\$ (7,365)	(19,861)
2024	135,751	(9,088)	126,663
2025	9,896	(13,238)	(3,342)
2026	468	(9,256)	(8,788)
2027	7,452	(5,043)	2,409
Thereafter	-	(1,408)	(1,408)
Total	\$ 141,071	\$ (45,398)	\$ 95,673

**Actuarial Assumptions and Discount Rate** – The total pension liability for FRS and HIS were determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40 percent. Payroll growth for both plans is assumed at 3.50 percent. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70 percent. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS program uses a pay-as-you-go funding structure, a municipal bond rate of 3.93 percent was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table.

The following changes in actuarial assumptions occurred in 2024 for the HIS Program:

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

### **Note 9 – Retirement Plans (continued)**

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

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

The FRS's long-term expected rate of return assumption of 6.7% used in GASB discount rate calculations, on pension plan investments, consists of two building block components: 1) an inferred real (in excess of inflation) return of 4.20 percent, which is consistent with the 4.38 percent real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2023 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, both components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as investment return assumption chosen by the 2022 FRS Actuarial Assumption Conference for funding policy purposes.

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

Asset Class	Target Allocation	Annual Arithmetic (Geometric) Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.30%	3.30%	1.10%
Fixed income	29.0%	5.70%	5.60%	3.90%
Global equity	45.0%	8.60%	7.00%	18.20%
Real estate	12.0%	8.10%	6.80%	16.60%
Private equity	11.0%	12.40%	8.80%	28.40%
Strategic investments	2.0%	6.60%	6.20%	8.70%
Total	100.0%			
Assumed Inflation - Mean			2.40%	1.50%

**Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00 percent higher or 1.00 percent lower than the current discount rate at June 30, 2024.

### Note 9 – Retirement Plans (continued)

School's proportionate share of the:	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
FRS Net Pension Liability	1,445,857	821,993	299,375
HIS Net Pension Liability	468,860	486,503	362,299

### Note 10 – Interfund Transfers

Interfund transfers in governmental funds as of June 30, 2025, consist of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund
To fund lunch deficit	\$ (46,411)	\$ 46,411	\$ -
To reimburse the general fund for prior period expenditures	342,854	(342,854)	-
To reimburse the general fund for internal account expenditures	23,581	(23,581)	-
Total Transfers, net	<u>\$ 320,024</u>	<u>\$ (320,024)</u>	<u>\$ -</u>
Due to General Fund from Capital Projects Fund for capital outlay	\$ 10,110	\$ -	\$ (10,110)
Total Due from/(Due to)	<u>\$ 10,110</u>	<u>\$ -</u>	<u>\$ (10,110)</u>

### Note 11 – Due from Other Agencies

The following is due from other agencies as of June 30, 2025:

Funding Source	
Due from Broward County Public Schools, referendum	\$ 231,032
Capital Outlay	<u>10,110</u>
Total Due from Other Agencies, current	<u>\$ 241,142</u>
Due from Broward County Public Schools, referendum	<u>231,032</u>
Less: Allowance for doubtful accounts	<u>(231,032)</u>
	<u>\$ 241,142</u>

Pursuant to the Secure the Next Generation Referendum settlement, the School will receive funds in the following installments (including interest at a rate of 12% compounding monthly):

Year	Principal	Interest	Total
2026	\$ 231,032	\$ 29,301	\$ 260,333
2027	<u>231,032</u>	<u>62,317</u>	<u>293,349</u>
Total	<u>\$ 462,064</u>	<u>\$ 91,618</u>	<u>\$ 553,682</u>

**Note 12 – Consolidation with Another Charter School**

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

	<b>Carrying Values</b>
Cash	\$ 518,137
Due from other agencies	5,789
Prepaid expenses and other current assets	17,883
Due from other charter schools, long-term	189,210
Capital and right of use assets, net	<u>158,355</u>
<b>Total Assets</b>	<u>889,374</u>
<b>Deferred outflows of resources</b>	<u>310,883</u>
Accounts payable and accrued liabilities	16,036
Salaries and wages payable	55,312
Compensated absences	3,621
Loans and capital lease obligations payable	110,864
Due to Charter School of Excellence, Inc. - Davie Campus	679,701
Net pension liability	<u>1,018,016</u>
<b>Total Liabilities</b>	<u>1,883,550</u>
 <b>Deferred inflows of resources</b>	 235,922
<b>Net Position of transferred charter operations:</b>	
Net investment in capital assets	47,491
Unrestricted (deficit)	<u>(1,155,919)</u>
<b>Total Net Position</b>	<u>\$ (1,108,428)</u>

The following lease commitments will also be transferred to the School in connection with the administrative offices:

Year	Principal	Interest	Total
2026	\$ 59,459	\$ 4,282	\$ 63,741
2027	51,405	1,258	52,663
	<u>\$ 110,864</u>	<u>\$ 5,540</u>	<u>\$ 116,404</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

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

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the year ended June 30, 2025

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	2,006,534	1,882,085	1,882,085
Local sources	466,748	518,942	518,942
Other revenue	33,350	53,314	53,314
<b>Total Revenues</b>	<b>2,506,632</b>	<b>2,454,341</b>	<b>2,454,341</b>
<b>EXPENDITURES</b>			
Current:			
Instruction	1,324,074	1,143,223	1,143,223
Student support services	129,415	26,596	26,596
Instruction and curriculum development	16,000	16,064	16,064
Instructional staff training	11,000	10,950	10,950
Board	5,000	44,250	44,250
School administration	361,473	408,956	408,956
Fiscal services	84,146	63,750	63,750
Central services	43,800	65,511	65,511
Pupil transportation services	120,000	96,831	96,831
Operation of plant	318,963	242,636	242,636
Maintenance of plant	13,600	20,888	20,888
Administrative technology services	45,600	27,658	27,658
<b>Total Current Expenditures</b>	<b>2,473,071</b>	<b>2,167,313</b>	<b>2,167,313</b>
Excess (Deficit) of Revenues			
Over Current Expenditures	<b>33,561</b>	<b>287,028</b>	<b>287,028</b>
Capital Outlay			
Total Capital Outlay and			
Debt Service Expenditures	<b>-</b>	<b>127,570</b>	<b>127,570</b>
<b>Total Expenditures</b>	<b>2,473,071</b>	<b>2,294,883</b>	<b>2,299,479</b>
Excess (Deficit) of Revenues Over Expenditures	<b>33,561</b>	<b>159,458</b>	<b>154,862</b>
Other financing sources (uses):			
Transfers in (out)	<b>-</b>	<b>320,024</b>	<b>320,024</b>
Long term debt advances	<b>-</b>	<b>(251,026)</b>	<b>(251,026)</b>
Transfer in of net position from CSE, Inc.	<b>-</b>	<b>-</b>	<b>127,570</b>
Net change in fund balance	<b>33,561</b>	<b>228,456</b>	<b>351,430</b>
Fund Balance at beginning of year	<b>376,560</b>	<b>376,560</b>	<b>376,560</b>
Fund Balance at end of year	<b>410,121</b>	<b>605,016</b>	<b>727,990</b>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

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

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the year ended June 30, 2025

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal sources	227,000	506,465	506,465
Charges for services	-	14,276	14,276
Other revenue	-	18,849	18,849
<b>Total Revenues</b>	<b>227,000</b>	<b>539,590</b>	<b>539,590</b>
<b>EXPENDITURES</b>			
Current:			
Instruction	115,000	85,085	85,085
Food services	112,000	139,213	139,213
<b>Total Current Expenditures</b>	<b>227,000</b>	<b>224,298</b>	<b>224,298</b>
Excess (Deficit) of Revenues Over Current Expenditures	-	315,292	315,292
<b>Total Expenditures</b>	<b>227,000</b>	<b>224,298</b>	<b>224,298</b>
Excess (Deficit) of Revenues Over Expenditures	-	315,292	315,292
Transfers in (out)	-	(320,024)	(320,024)
Net change in fund balance	-	(4,732)	(4,732)
Fund Balance at beginning of year	5,199	5,199	5,199
Fund Balance at end of year	5,199	467	467

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

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

Required Supplementary Information

Schedule of the School's Proportionate Share of the Net Pension Liability

Florida Retirement System

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School's proportion of the net pension liability (asset)	0.002124852%	0.001981136%	0.001779266%	0.002312793%	0.003153652%	0.002460791%	0.001686331%	0.001468793%	0.001589406%	0.001496062%
School's proportionate share of the net pension liability (asset)	\$ 821,993	\$ 789,420	\$ 662,031	\$ 174,705	\$ 1,366,839	\$ 847,482	\$ 507,932	\$ 434,459	\$ 401,326	\$ 193,236
School's covered-employee payroll	\$ 1,114,643	\$ 1,201,519	\$ 1,126,763	\$ 953,771	\$ 1,187,741	\$ 1,516,641	\$ 950,124	\$ 831,724	\$ 807,699	\$ 693,646
School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	73.74%	65.70%	58.76%	18.32%	115.08%	55.88%	53.46%	52.24%	49.69%	27.86%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

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

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

Required Supplementary Information

Schedule of the School's Contributions

Florida Retirement System

Last 10 Fiscal Years\*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 120,323	\$ 95,305	\$ 75,925	\$ 88,107	\$ 104,782	\$ 76,302	\$ 48,059	\$ 38,236	\$ 38,760	\$ 36,475
Contributions in relation to the contractually required contribution	(120,323)	(95,305)	(75,925)	(88,107)	(104,782)	(76,302)	(48,059)	(38,236)	(38,760)	(36,475)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered-employee payroll	\$1,114,643	\$1,201,519	\$1,126,763	\$953,771	\$1,187,741	\$1,516,641	\$950,124	\$831,724	\$807,699	\$693,646
Contributions as a percentage of covered- employee payroll	10.79%	7.93%	6.74%	9.24%	8.82%	5.03%	5.06%	4.60%	4.80%	5.26%

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

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

Required Supplementary Information

Schedule of the School's Proportionate Share of the Net Pension Liability

Health Insurance Subsidy Program

Last 10 Fiscal Years\*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School's proportion of the net pension liability (asset)	0.003243143%	0.002844111%	0.002562094%	0.003355032%	0.004364682%	0.003670765%	0.002908991%	0.002609312%	0.002616358%	0.002286370%
School's proportionate share of the net pension liability (asset)	\$ 486,503	\$ 451,683	\$ 271,367	\$ 411,545	\$ 532,921	\$ 410,722	\$ 307,891	\$ 279,000	\$ 304,926	\$ 233,174
School's covered-employee payroll	\$ 1,114,643	\$ 1,201,519	\$ 1,126,763	\$ 953,771	\$ 1,187,741	\$ 1,516,641	\$ 950,124	\$ 831,724	\$ 807,699	\$ 693,646
School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	43.65%	37.59%	24.08%	43.15%	44.87%	27.08%	32.41%	33.54%	37.75%	33.62%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

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

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

Required Supplementary Information

Schedule of the School's Contributions

Florida Retirement System

---

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 27,457	\$ 18,709	\$ 15,503	\$ 19,721	\$ 25,152	\$ 20,383	\$ 15,776	\$ 13,809	\$ 13,411	\$ 8,740
Contributions in relation to the contractually required contribution	(27,457)	(18,709)	(15,503)	(19,721)	(25,152)	(20,383)	(15,776)	(13,809)	(13,411)	(8,740)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered-employee payroll	\$1,114,643	\$1,201,519	\$1,126,763	\$ 953,771	\$1,187,741	\$1,516,641	\$ 950,124	\$ 831,724	\$ 807,699	\$ 693,646
Contributions as a percentage of covered-employee payroll	2.46%	1.56%	1.38%	2.07%	2.12%	1.34%	1.66%	1.66%	1.66%	1.26%

\* The amounts presented for each fiscal year were determined as of 6/30.

There are no factors that have had a significant effect on amounts reported.



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

---

Board of Directors of  
The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus  
Pembroke Pines, Florida

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

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

4000 Ponce de Leon Blvd., Suite 610, Coral Gables, FL 33146 • Tel: 305.446.3022 • Fax: 305.446.6319  
[www.hlbgravier.com](http://www.hlbgravier.com)

HLB Gravier, LLP is a member of  **HLB International**. A world-wide organization of accounting firms and business advisers.

## **Report on Compliance and Other Matters**

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

We issued a separate management letter pursuant to Chapter 10.850, Rules of the Auditor General dated September 30, 2025.

## **Purpose of this Report**

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 30, 2025



## MANAGEMENT LETTER

To the Board of Directors of  
The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus  
Pembroke Pines, Florida

### **Report on the Financial Statements**

We have audited the financial statements of The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus, Florida, as of and for the year ended June 30, 2025 and have issued our report thereon dated September 30, 2025.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

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

### **Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no findings and recommendations made in the preceding financial audit report.

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code assigned by the Florida Department of Education of the entity is The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus, 5271.

## **Financial Condition and Management**

Sections 10.854(1)(e)2 and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus. It is management's responsibility to monitor The Charter Schools of Excellence, Inc. #5271 Davie 1 Campus's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

## **Transparency**

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

## **Additional Matters**

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

## **Purpose of this Letter**

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 30, 2025