

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2026



CAPE CORAL CHARTER SCHOOL AUTHORITY
A Component Unit of the City of Cape Coral, Florida



CAPE CORAL CHARTER SCHOOL AUTHORITY
Cape Coral, Florida

FINANCIAL STATEMENTS



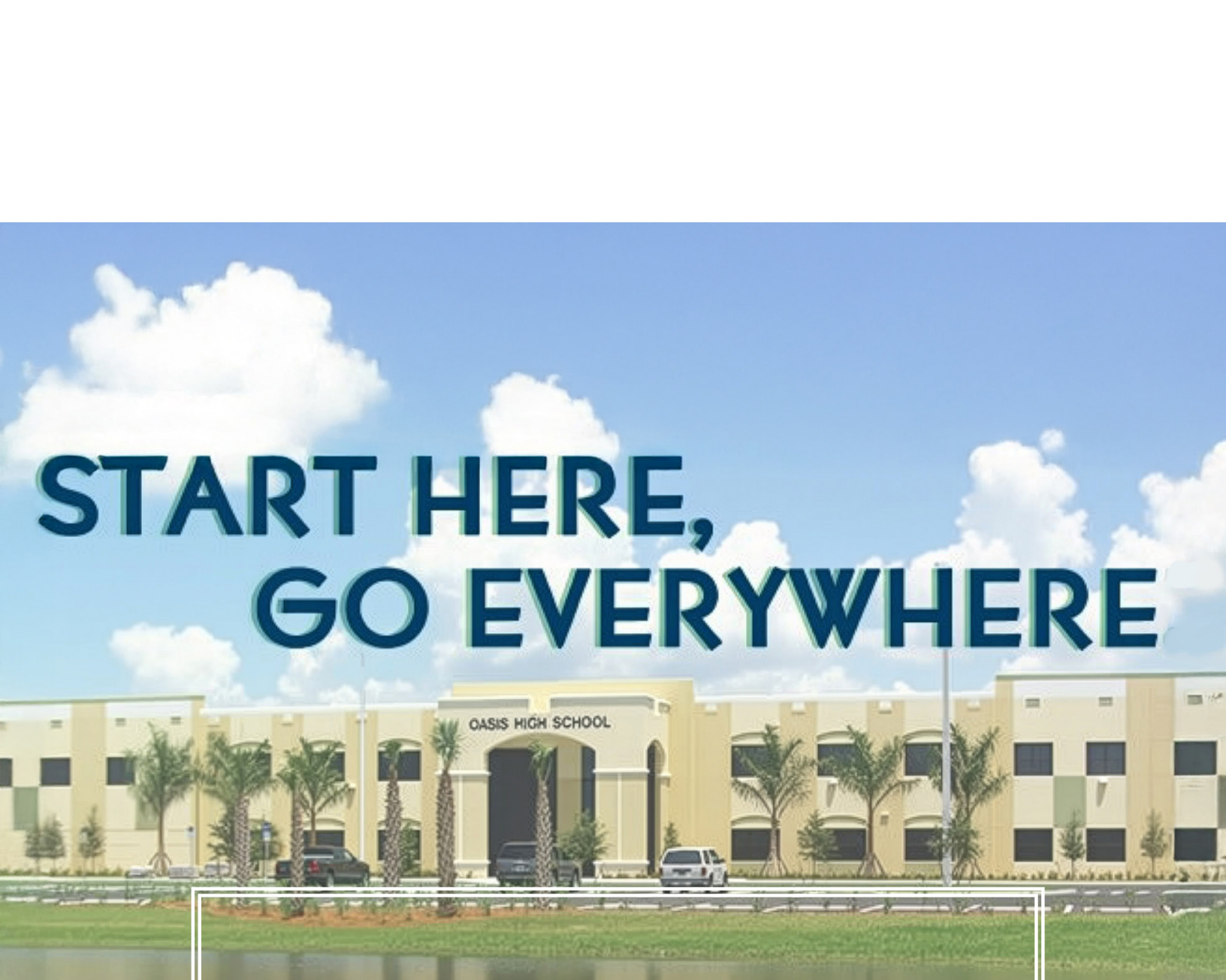
Oasis Elementary South
Oasis Elementary North
Oasis Middle School
Oasis High School

For the Year Ended June 30, 2026

Prepared by:
City of Cape Coral
Financial Services Department

I. INTRODUCTORY SECTION	Letter of Transmittal.....	I
	List of Board Members.....	IV
II. FINANCIAL SECTION	Independent Auditors' Report.....	1
	A. MANAGEMENT'S DISCUSSION AND ANALYSIS	5
	B. BASIC FINANCIAL STATEMENTS	13
	Government-wide Financial Statements	
	Statement of Net Position.....	14
	Statement of Activities.....	15
	Fund Financial Statements	
	Balance Sheet – Governmental Funds.....	16
	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	17
	Statement of Revenues, Expenditures and Changes in Fund Balance.....	18
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	19
	Notes to the Financial Statements	20
	C. REQUIRED SUPPLEMENTARY INFORMATION	46
	Budgetary Comparison Schedule.....	47
	Notes to Budgetary Comparison Schedule.....	48
	Schedule of the Authority's Proportionate Share of the Net Pension Liability – Retiree Health Insurance Subsidy Program.....	50
	Schedule of the Authority's Contributions – Retiree Health Insurance Subsidy Program.....	50
	D. SUPPLEMENTARY INFORMATION	51
	Combining and Individual Nonmajor Fund Financial Statements	
	Nonmajor Fund Financial Statements.....	52
	Combining Balance Sheet – Nonmajor Governmental Funds.....	53
	Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds.....	54
	Budgetary Comparison Schedules.....	55
	Special Revenue Funds:.....	55
	Multi-Year Funds.....	55
	Food Service Funds.....	56
	Capital Outlay Restricted Funds.....	57



A photograph of Oasis High School, a large, modern, light-colored building with a central entrance and several palm trees in front. The sky is blue with white clouds. The text "START HERE, GO EVERYWHERE" is overlaid in large, bold, blue letters with a green outline.

START HERE, GO EVERYWHERE

I. INTRODUCTORY SECTION



START HERE. GO EVERYWHERE.

September 24, 2026

Honorable Chairperson and Members of the City of Cape Coral
Charter School Authority Governing Board
Cape Coral, Florida

Dear Chairperson and Members of the City of Cape Coral Charter School Authority Governing Board:

We are pleased to present to you the Financial Statements and Independent Auditors' Report of the City of Cape Coral Charter School Authority (Authority), Cape Coral, Florida for the year ended June 30, 2026. State law, the School District of Lee County, and the Cape Coral Charter School Authority Charter require that a complete set of financial statements be presented in conformance with generally accepted accounting principles in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by licensed independent certified public accountants. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City of Cape Coral.

We believe the data, as presented, is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the financial activities have been included. Management of the Authority is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Authority are protected from loss, theft, or misuse and to ensure that sufficient, reliable, adequate accounting data is compiled for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

Internal accounting controls have been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

**FOUR
SCHOOLS,
ONE
VISION**

239.424.6100 

239.541.1039 

TheOasisAdvantage.com 

3519 Oasis Blvd., Cape Coral, FL 33914 

PROFILE OF THE CHARTER SCHOOL AUTHORITY

The City of Cape Coral Oasis Charter Schools is a high-performing municipal charter school system created to serve the children of Cape Coral residents. The Florida Department of Education has designated the charters *Schools of Excellence*, and COGNIA has accredited Oasis Charter Schools as one of Florida's *School Systems of Distinction*.

Established in 2005, the award-winning K–12 public school system includes two elementary schools, one middle school, and one high school – proudly maintaining a 100% graduation rate. Additionally, Oasis STEM Innovation is Cape Coral's only fully integrated K-12 STEM education pathway. Serving 3,466 students during the 2025-2026 school year, Oasis is supported by more than 369 certified teachers and staff, and an experienced leadership team with an average of more than 29 years in education services.

The Cape Coral Charter School Authority Governing Board, established by City Ordinance 41-04 in 2004, governs the school system by ensuring compliance with federal, state, and local requirements while overseeing annual budgets and strategic direction. Board members are appointed by the Cape Coral City Council and are joined by non-voting parent representatives appointed by each school's parent organization.

The City of Cape Coral owns all Oasis school facilities and provides essential support services, including financial management, human resources, information technology, school resource officers, facilities management, and custodial services, while the Charter School Authority manages daily school operations.

The Oasis mission is to educate students to become responsible, critical thinkers who are prepared to succeed in a dynamic global workforce. Through innovative instruction, real-world learning experiences, and strong community partnerships, Oasis students develop the knowledge, skills, and character needed to lead in an ever-changing world.

Our mission is fortified by the continued partnership and support of the City of Cape Coral, whose vision and investment have helped make Oasis one of Florida's premier public charter school systems.

We are proud to say Oasis provides a collaborative learning environment where accountability, integrity, innovation, and respect for diverse perspectives prepare students to thrive in college, careers, and life.

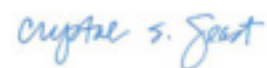
ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the efficient and dedicated service of the Financial Services Department staff of the City of Cape Coral. Their continuing effort toward improving the accounting and financial reporting system improves the quality of the information reported to the Cape Coral Charter School Authority, City Council, School District of Lee County, State and Federal Agencies, and the citizens of the City of Cape Coral. We sincerely appreciate and commend them for their contributions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jacquelin Collins". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jacquelin Collins
Charter School Superintendent
Charter School Authority

A handwritten signature in blue ink, appearing to read "Crystal S. Feast". The signature is cursive and somewhat stylized, with a large initial "C" and a long, sweeping underline.

Crystal S. Feast, MBA
Financial Services Director
City of Cape Coral

Governing Board Members

Kristifer Jackson

Chair

Mykisha Atisele

Vice Chair

Joe Kilraine

City Council Member Liaison

Karen Michaels

Sara Katine

Jose Santos

**Vacant - Business
Community**

Ex Officio Members

Micaela Heuglin

Oasis High School

Gregor Schade

Oasis Middle School

Caroline Rouzeau

Oasis Elementary North

Brittini Gibson

Oasis Elementary South

Jacquelin Collins

Superintendent

Aleksandr Boksner

City Attorney

Mark Moriarty

Assistant City Attorney



100%

Graduation Rate

II. FINANCIAL SECTION



Independent Auditor's Report

**To the Board of Directors
of Cape Coral Charter School Authority
Cape Coral, Florida**

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Cape Coral Charter School Authority (the "Authority"), a component unit of the City of Cape Coral, Florida, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Authority as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

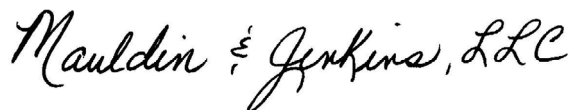
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Bradenton, Florida
September 24, 2026



Management's Discussion & Analysis



Management's Discussion and Analysis

The purpose of the Management's Discussion and Analysis (MD&A) is to help readers understand what the financial statements and notes in the financial report say about the City of Cape Coral Charter School Authority's (Charter School) financial health and why it changed since last year. It contains information drawn from other parts of the report, accompanied by explanations formed by the finance staff's knowledge of the Charter School's finances.

Overview of the Financial Statements

The Charter School's financial report contains Government-wide statements, fund financial statements, and the notes to the financial statements. The financial statements present the Charter School's finances at both an overall (the government-wide financial statements), and a detailed level (the fund financial statements) covering the Charter School's governmental activities.

- **Governmental activities** comprise the Charter School's most basic functions, such as Instruction Basic, School Administration, Food Services and Pupil Transportation Services. Governmental activities are primarily financed by the Florida Education Finance Program (FEFP) and grants from the State of Florida and School District of Lee County.

The fund financial statements present the Charter School's finances in greater detail. As their name implies, the fund financial statements disaggregate financial information by separate funds to report on the specific purpose for which resources are used or for which they are restricted.

- **Governmental Fund** financial statements report all of the governmental activities. In addition to the Charter School's main operating fund (the General Fund), the combining fund financial statements report special revenue funds to track the use of the Charter School's restricted funds for Grants and Donations, Before and After School programs, School Internal Funds, Food Services and Capital Outlay Surtax.

The next section of this financial report contains notes to the financial statements, which delve deeper into the Charter School's finances as reported in the financial statements. The information in the notes is as important to understanding the Charter School's finances as the information in the financial statements. The Charter School uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

Types of information in the Financial Statements

The Charter School's government-wide financial statements use the *economic resources measurement focus and accrual basis of accounting*. In other words, they comprehensively report all types of financial elements:

- **Assets** - resources the Charter School controls, from short-term assets like cash to long-term assets like school buses and equipment.
- **Liabilities** - amounts the Charter School owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and amounts owed to employees for compensated absences.
- **Deferred Outflows and Deferred Inflows of resources** - inflows and outflows that occurred during the year or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- **Revenues and expenses** - inflows and outflows of economic resources, respectively, related to the current reporting period.

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report non-financial assets, such as capital assets, or certain long-term liabilities, such as GASB 87 Leases for right-to-use building and right-to-use equipment leases and GASB 96 Subscription-based Information Technology Arrangements (right-to-use software subscriptions). However, governmental funds do report the flows of current financial resources related to those long-term items; for example, the proceeds from the disposal of

capital assets, as well as the principal and interest payments on the building lease, and expenditures for capital asset acquisitions.

More detail about the measurement focuses and bases of accounting can be found in the first note to the financial statements, the Summary of Significant Accounting policies, beginning on page 23.

Financial Summary

Summary of Net Position

Table A-1

	2026	2025	Change	% Change
Assets				
Current assets	\$ 23,758,724	\$ 23,297,923	\$ 460,801	2.0%
Capital assets not being depreciated	5,788	129,204	(123,416)	(95.5%)
Capital assets, net	7,334,067	8,304,773	(970,706)	(11.7%)
Total assets	31,098,579	31,731,900	(633,321)	(2.0%)
Deferred outflows related to pension	3,459,850	4,157,558	(697,708)	(16.8%)
Liabilities				
Current and other liabilities	1,178,787	1,320,129	(141,342)	(10.7%)
Noncurrent liabilities	16,293,442	20,990,953	(4,697,511)	(22.4%)
Total liabilities	17,472,229	22,311,082	(4,838,853)	(21.7%)
Deferred inflows of resources	3,204,527	2,300,241	904,286	39.3%
Net position				
Net investment in capital assets	2,736,097	1,750,178	985,919	56.3%
Restricted	1,022,962	1,090,423	(67,461)	(6.2%)
Unrestricted	10,122,614	8,437,534	1,685,080	20.0%
Total net position	\$ 13,881,673	\$ 11,278,135	\$ 2,603,538	23.1%

Table A-1 shows that as of June 30, 2026, the Charter School's total net position - assets plus deferred outflows minus liabilities minus deferred inflows was \$13,881,673, an increase of \$2,603,538 compared with 2025. The increase reflects the Charter School's fiscal year 2026 governmental activities, including increased capital grants and contributions and growth in FEFP and charges for services, partially offset by increased operating expenses and capital-related costs. The following sections of MD&A analyze the finances in greater detail.

Summary of Changes in Net Position

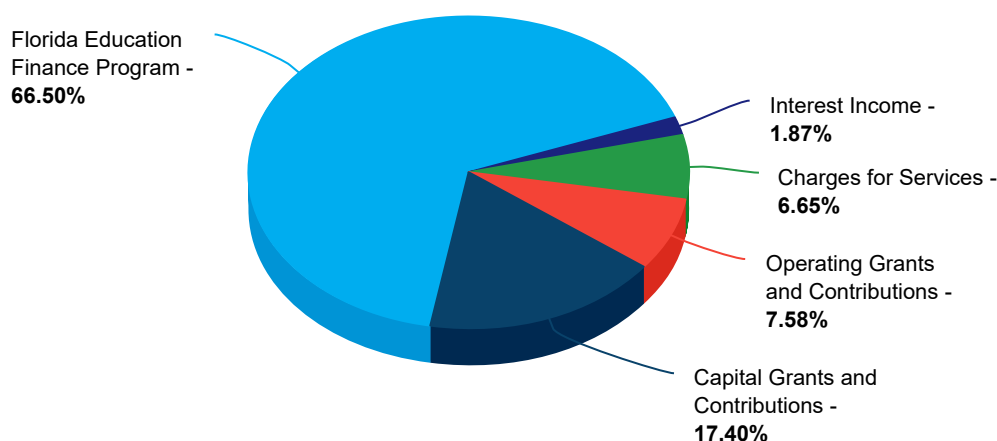
Table A-2

	2026	2025	Change	% Change
REVENUES:				
Program Revenues:				
Charges for Services	\$ 2,822,541	\$ 2,538,940	\$ 283,601	11.2%
Operating Grants and Contributions	3,219,039	3,883,756	(664,717)	(17.1%)
Capital Grants and Contributions	7,384,073	4,269,370	3,114,703	73.0%
General Revenues:				
Florida Education Finance Program	28,220,887	27,735,049	485,838	1.8%
Interest Income	793,929	833,888	(39,959)	(4.8%)
Total Revenues	<u>42,440,469</u>	<u>39,261,003</u>	<u>3,179,466</u>	<u>8.1%</u>
EXPENSES:				
Program Activities:				
Instruction Basic (FEFP K-12)	19,521,279	19,710,982	(189,703)	(1.0%)
Exceptional Education Services	545,054	78,238	466,816	596.7%
Advanced International Certificate of Education (AICE Diploma Program)	246,324	215,203	31,121	14.5%
Pupil Personnel Services	398,252	293,942	104,310	35.5%
Health Services	384,544	381,284	3,260	0.9%
Other Pupil Personnel Services	923,730	865,067	58,663	6.8%
Instructional Media Services	132,366	135,155	(2,789)	(2.1%)
Instructional Staff Training Services	12,588	52,050	(39,462)	(75.8%)
Board	48,767	46,557	2,210	4.7%
General Administration	440,256	515,224	(74,968)	(14.6%)
School Administration	2,289,393	3,154,459	(865,066)	(27.4%)
Facilities Acquisition & Construction	3,574,298	480,019	3,094,279	644.6%
Fiscal Services	778,851	655,980	122,871	18.7%
Food Services	2,016,056	1,702,568	313,488	18.4%
Data Processing Services	782,265	616,357	165,908	26.9%
Pupil Transportation Services	2,445,186	2,104,404	340,782	16.2%
Operation of Plant	4,565,953	4,161,280	404,673	9.7%
Maintenance of Plant	259,080	192,238	66,842	34.8%
Community Services	415,523	38,885	376,638	968.6%
Interest	57,166	68,234	(11,068)	(16.2%)
Total Expenses	<u>39,836,931</u>	<u>35,468,126</u>	<u>4,368,805</u>	<u>12.3%</u>
Change in Net Position	2,603,538	3,792,877	(1,189,339)	(31.4%)
Net Position - beginning	11,278,135	7,485,258	3,792,877	50.7%
Net Position - ending	<u>\$ 13,881,673</u>	<u>\$ 11,278,135</u>	<u>\$ 2,603,538</u>	<u>23.1%</u>

Detailed Analysis

The following is a chart of revenues by major source for the Charter School for fiscal year 2026.

Government Activities Revenues
Figure A-3



Total revenue increased by \$3,179,466 or 8.1% in comparison to the prior year. Outlined below are the explanations for the significant revenue changes.

Increases in revenue due to enrollment growth:

The continued excellence of the City of Cape Coral Charter School Authority has resulted in growth of several of the Charter School's significant revenue sources. FEFP funding, which is the Charter School's primary source of revenue, amounting to \$28,220,887 and 66.5% of the Charter School's revenue sources, increased by \$485,838 or 1.8% as a result of enrollment growth. Student enrollment at Oasis High School increased by 40 students, from 3,426 in fiscal year 2025 to 3,466 in fiscal year 2026, representing a 1% increase.

Charges for services, which accounts for 6.65% of Charter School revenues, increased by \$283,601 or 11.2%. This increase was driven primarily by the new Before and After School programs operated directly by the Charter School.

There were notable increases in capital grants and contributions during fiscal year 2026. Capital grants and contributions, which accounted for 17.40% of overall revenues for governmental activities, increased by \$3,114,703 or 73.0%. A majority of this increase, \$2,226,393 is related to Capital Outlay Surplus, paid to the Charter School by the School District of Lee County. These funds are restricted for the purchase or construction of facilities and capital equipment. The Public Education Capital Outlay (PECO) funding from the State of Florida Department of Education also grew to \$2,322,445 an increase of \$198,675 or 9.4%. PECO Funds are based on enrollment and are intended to offset the cost of school buildings. Local Capital Improvement (LCI) Funds continued to grow, \$2,796,918 was received, an increase of \$716,768 or 26%. For fiscal year 2026, the distribution amount for each eligible charter school increased to 60% of the maximum calculated amount from 40% from the prior year. LCI funding will continue to increase over the next few fiscal years until the distribution amount reaches 100% of the maximum calculated amount.

Operating grants and contributions, which account for 7.59% of overall revenues for governmental activities, decreased by \$664,717 or 17.1%.

Lastly, earnings on the Charter School's investments, which were 1.87% of the governmental activities, decreased by \$39,959 or 4.8% less than the \$833,888 from the prior year.

The following table represents expenses by program:

Governmental Activities Expenses
Figure A-4

Program	2026	2025
Instruction Basic (FEFP K-12)	\$ 19,521,279	\$ 19,710,982
Operation of Plant	4,565,953	4,161,280
School Administration	2,289,393	3,154,459
Facilities Acquisition & Construction	3,574,298	480,019
Pupil Transportation Services	2,445,186	2,104,404
Food Services	2,016,056	1,702,568
General Administration	440,256	515,224
Maintenance of Plant	259,080	192,238
Data Processing Services	782,265	616,357
Fiscal Services	778,851	655,980
Pupil Personnel Services	398,252	293,942
Health Services	384,544	381,284
Other Pupil Personnel Services	923,730	865,067
Advanced International Certificate of Education (AICE Diploma Program)	246,324	215,203
Exceptional Education Services	545,054	78,238
Instructional Media Services	132,366	135,155
Interest	57,166	68,234
Board	48,767	46,557
Instructional Staff Training Services	12,588	52,050
Community Services	415,523	38,885
Total governmental activities	<u>\$ 39,836,931</u>	<u>\$ 35,468,126</u>

Total expenses of \$39,836,931 increased by \$4,368,805 or 12.3% from \$35,468,126 in fiscal year 2025.

The most significant expense of the Charter School is salaries, wages and employee benefits which represents 56.6% of total expenses for the year. Total salaries, wages and employee benefits increased \$1,042,141 to \$24,438,494 or an 4.5% increase as compared to \$23,396,353 in the prior year. This is primarily attributable to planned salary increases identified in the Evergreen Study.

Contractual services, materials, and supplies of \$16,704,415 represent 38.7% of total expenses. Contractual services increased by \$6,915,045 or 70.6% from \$9,789,370 in the prior fiscal year. The increase was primarily attributable to costs associated with asset acquisitions and capital projects, including payments to the City related to construction of a new Athletic Complex.

The interest expense of \$57,166 represents 0.1% of total expenses. Interest expense decreased by \$11,068 or 16.2% from \$68,234 in the prior fiscal year. This decrease is due to the nature and timing of Subscription Based IT Arrangements.

Significant capital asset and long-term financing activity

Total capital assets decreased by \$1,094,122 or (13.0%) during the current fiscal year. The change is comprised of \$1,759,045 in capital-asset additions and \$5,788 in work in progress, offset by \$530,671 in accumulated depreciation, \$1,460,039 in accumulated amortization and net total dispositions of \$868,245. During fiscal year 2026, the following capital assets were purchased and installed: a playground at Oasis Elementary South, a playground with Turf grass at Oasis Elementary North, four school buses, a security system at all four schools, and convection ovens at all four

schools. During fiscal year 2026, the Charter School completed an inventory of capital assets and retired assets that had exceeded their useful life or were no longer in service.

Long-term obligations decreased by \$2,080,041 or (31.1%) during the current fiscal year. The decrease was primarily attributable to scheduled principal payments on the Charter Schools building and equipment leases, together with the retirement of certain software subscription liabilities, partially offset by new subscription-based information technology arrangement obligations.

Currently known facts, decisions or conditions

The Cape Coral Charter School Authority is aware of the following developments that will have an impact on the Charter School's finances in the future and were therefore incorporated into next year's budget.

For fiscal year 2026, the Authority realized an increase of \$2,603,538 in net position.

For fiscal year 2027, the Florida Education Finance Program funding is expected to increase by approximately \$85 per funded full-time-equivalent student. Based on the Authority's adopted fiscal year 2027 enrollment estimate of 3,453 funded FTE students, management estimates recurring FEFP revenue will increase by approximately \$293,505. The Authority expects the additional revenue to fund anticipated cost increases. Accordingly, management expects fiscal year 2027 operating results to remain substantially consistent with fiscal year 2026.

Request for Information

This financial report is designed to present users with a general overview of the Cape Coral Charter School Authority's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be directed to the Cape Coral Charter School Authority through the Financial Services Department of the City of Cape Coral, 1015 Cultural Park Blvd., Cape Coral, FL 33990.



Basic Financial Statements



Statement of Net Position June 30, 2026

ASSETS

Cash and cash equivalents	\$ 23,388,442
Accounts receivable	39,108
Intergovernmental receivables	237,925
Prepaid expense	93,249
Capital assets not being depreciated	5,788
Capital assets, net	<u>7,334,067</u>
Total assets	<u>31,098,579</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pension	<u>3,459,850</u>
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LIABILITIES**Current liabilities**

Accounts payable and other accrued liabilities	655,603
Accrued payroll	193,042
Due to City of Cape Coral	266,310
Unearned revenue	63,832

Noncurrent liabilities:

Due within one year	1,697,882
Due in more than one year	3,876,358
Net pension liability	<u>10,719,202</u>
Total liabilities	<u>17,472,229</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pension	<u>3,204,527</u>
Total deferred inflows of resources	3,204,527

NET POSITION

Net investment in capital assets	2,736,097
Restricted	1,022,962
Unrestricted	<u>10,122,614</u>
Total net position	<u>\$ 13,881,673</u>

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

Statement of Activities
For the Year Ended June 30, 2026

FUNCTIONS	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
					Unit Activities
Instruction Basic (FEFP K-12)	\$ 19,521,279	\$ 724,885	\$ 1,639,776	\$ -	\$ (17,156,618)
Exceptional Education Services	545,054	-	-	-	(545,054)
Advanced International Certificate of Education (AICE Diploma Program)	246,324	-	700,884	-	454,560
Pupil Personnel Services	398,252	-	-	-	(398,252)
Health Services	384,544	-	-	-	(384,544)
Other Pupil Personnel Services	923,730	-	-	-	(923,730)
Instructional Media Services	132,366	20,824	-	-	(111,542)
Instructional Staff Training Services	12,588	-	12,588	-	-
Board	48,767	-	-	-	(48,767)
General Administration	440,256	174,264	-	-	(265,992)
School Administration	2,289,393	61,843	-	-	(2,227,550)
Facilities Acquisition & Construction	3,574,298	-	-	2,226,393	(1,347,905)
Fiscal Services	778,851	-	-	-	(778,851)
Food Services	2,016,056	1,160,940	862,940	-	7,824
Data Processing Services	782,265	-	-	-	(782,265)
Pupil Transportation Services	2,445,186	77,301	-	-	(2,367,885)
Operation of Plant	4,565,953	-	2,851	5,157,680	594,578
Maintenance of Plant	259,080	-	-	-	(259,080)
Community Services	415,523	602,484	-	-	186,961
Interest	57,166	-	-	-	(57,166)
Totals	<u>\$ 39,836,931</u>	<u>\$ 2,822,541</u>	<u>\$ 3,219,039</u>	<u>\$ 7,384,073</u>	<u>\$ (26,411,278)</u>

General Revenues:

Florida Education Finance Program (State through Lee County School District)	\$ 28,220,887
Interest income	793,929
Total general revenues	<u>29,014,816</u>
Change in net position	2,603,538
Net position - beginning	11,278,135
Net position - ending	<u>\$ 13,881,673</u>

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

Balance Sheet
Governmental Funds
June 30, 2026

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$21,597,208	\$ 1,791,234	23,388,442
Receivables, net	17,659	21,449	39,108
Intergovernmental receivables	237,925	-	237,925
Prepaid items	93,249	-	93,249
Total assets	<u>21,946,041</u>	<u>1,812,683</u>	<u>23,758,724</u>
LIABILITIES			
Accounts payable and other accrued liabilities	654,209	1,394	655,603
Accrued wages and benefits	169,648	23,394	193,042
Due to City of Cape Coral	266,310	-	266,310
Unearned revenue	-	63,832	63,832
Total liabilities	<u>1,090,167</u>	<u>88,620</u>	<u>1,178,787</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue – grant reimbursement	-	3	3
FUND BALANCES			
Nonspendable	93,249	-	93,249
Restricted	-	1,023,474	1,023,474
Committed	4,925,500	-	4,925,500
Assigned	684,050	5,000	689,050
Unassigned	15,153,075	695,586	15,848,661
Total fund balances	<u>20,855,874</u>	<u>1,724,060</u>	<u>22,579,934</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$21,946,041</u>	<u>\$ 1,812,683</u>	<u>\$ 23,758,724</u>

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

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

Total fund balances - governmental funds		\$ 22,579,934
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Capital assets	18,524,376	
Accumulated depreciation and amortization	<u>(11,184,521)</u>	7,339,855
Deferred outflows of resources related to pension liability are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		3,459,850
Long-term liabilities, including debt payable, are not due and payable in the current period and therefore, are not reported as fund liabilities. These liabilities consist of:		
Compensated absences	(970,482)	
Leases payable	(4,563,940)	
SBITA payable	<u>(39,818)</u>	(5,574,240)
Net pension liability is not recognized in the government funds; however, it is recorded in the statement of net position under full accrual accounting		(10,719,202)
Deferred inflows of resources related to pension liability are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(3,204,527)
Other assets are not available to pay for current period expenditures and are reported as deferred inflows in the funds.		3
Net position of governmental activities		<u><u>\$ 13,881,673</u></u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
June 30, 2026

Revenues:	General Fund	Other Governmental Funds	Total Governmental Funds
Federal Direct Sources			
JROTC Reimbursable Charges	\$ 118,235	\$ -	\$ 118,235
Other Federal Grants	-	179,345	179,345
Federal through State Sources			
NSLP Lunch Reimbursement	-	572,502	572,502
NSLP Breakfast Reimbursement	-	111,093	111,093
Federal through Local Sources			
Title II-A Funding	-	12,588	12,588
Title IV Funding	-	63,426	63,426
State through Local Sources			
Florida Education Finance Program	28,220,887	-	28,220,887
Florida Teachers Salary Allocation	1,394,097	-	1,394,097
Public Education Capital Outlay (PECO)	2,322,445	-	2,322,445
Advanced International Certificate of Education (AICE)	700,884	-	700,884
Dual Enrollment	15,953	-	15,953
TAPS - Safety & Security	4,984	33,333	38,317
Industry Certification	42,064	-	42,064
Local Sources			
Food Service Sales	-	1,156,213	1,156,213
Local Capital Improvement Funds	2,796,918	-	2,796,918
Capital Outlay Surtax	-	2,226,393	2,226,393
Charges for Services	7,887	1,030,930	1,038,817
Transportation Service Charges	77,301	-	77,301
Speed Zone Camera Fines	2,851	-	2,851
Contributions and Donations	-	140,564	140,564
Interest Income	793,929	-	793,929
Other Revenue	166,938	247,967	414,905
Total Revenues	36,665,373	5,774,354	42,439,727
Expenditures:			
Instruction Basic (FEFP K-12)	19,419,394	839,446	20,258,840
Exceptional Education Services	568,940	-	568,940
Advanced International Certificate of Education (AICE)	246,324	-	246,324
Guidance Services	411,696	899	412,595
Health Services	398,384	-	398,384
Other Pupil Personnel Services	955,426	-	955,426
Instructional Media Services	133,089	6,243	139,332
Instructional Staff Training Services	-	12,588	12,588
Board	48,767	-	48,767
General Administration	459,451	-	459,451
School Administration	2,289,957	49,625	2,339,582
Fiscal Services	778,851	-	778,851
Food Services	-	2,019,157	2,019,157
Data Processing Services	673,417	-	673,417
Pupil Transportation Services	2,358,580	-	2,358,580
Operation of Plant	2,892,167	680	2,892,847
Maintenance of Plant	225,528	13,930	239,458
Facilities Acquisition & Construction	3,574,298	-	3,574,298
Community Services	-	427,692	427,692
Capital Outlay	1,367,513	112,663	1,480,176
Debt Service:			
Principal	1,586,523	-	1,586,523
Interest and Fiscal Charges	57,166	-	57,166
Total Expenditures	38,445,471	3,482,923	41,928,394
Excess of revenues over expenditures	(1,780,098)	2,291,431	511,333
Other Financing Sources:			
Proceeds from SBITA	91,020	-	91,020
Transfers In	2,228,731	1,125,123	3,353,854
Transfers Out	(1,117,745)	(2,236,109)	(3,353,854)
Total Other Financing Sources	1,202,006	(1,110,986)	91,020
Net change in Fund Balance	(578,092)	1,180,445	602,353
Fund balance - beginning, as restated	21,433,966	543,615	21,977,581
Fund balance - ending	\$ 20,855,874	\$ 1,724,060	\$ 22,579,934

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

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

Net change in fund balance - total governmental funds		\$ 602,353
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 and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital outlay	1,635,629	
Depreciation, amortization and loss on disposals	<u>(1,990,710)</u>	(355,081)
The net effect on net position for various miscellaneous transactions involving capital assets (disposals, transfers, donations).		(739,041)
Certain revenues not considered available are not recognized in the governmental funds but are included in the statement of activities.		(210)
Changes to compensated absences		(42,705)
The issuance of debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has an effect on net position.		
Principal on leases	1,496,878	
Principal on SBITA	89,645	
SBITA Early Termination	584,538	
Proceeds from SBITA	<u>(91,020)</u>	2,080,041
Net effect of pension related expenses which decrease net position		1,058,181
Change in net position of governmental activities		<u><u>\$ 2,603,538</u></u>

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

Notes to the Financial Statements



NOTES TO THE FINANCIAL STATEMENTS

June 30, 2026

Note I. Organization and Summary of Significant Accounting Policies

1. Organization	23
2. Related Organization	23
3. Summary of Significant Accounting Policies	23
4. Basic Financial Statements	23
5. Measurement Focus and Basis of Accounting	24
6. Cash and Investments	24
7. Accounts and Intergovernmental Receivables	25
8. Capital Assets	25
9. Long-term Liabilities	25
10. Leases and Subscription-based Information Technology Arrangements (SBITA)	25
11. Fund Balance and Net Position	26
12. Intergovernmental Revenue	28
13. Pensions	29
14. Deferred Outflows/Inflows of Resources	29
15. Prepaid Items	29
16. Unearned Revenue	29
17. Use of Estimates	30
18. Change within the Reporting Entity	30

Note II. Stewardship, Compliance, and Accountability

1. Compliance with Finance-Related Legal and Contractual Provisions	30
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Note III. Detailed Notes

1. Cash and Investments	31
2. Receivables	34
3. Capital Assets	35
4. Related Party Transactions	35
5. Long-Term Liabilities	36
6. Fund Balances	38
7. Risk Management	38
8. Defined Benefit Pension Plans	38
9. Defined Contribution Plan	45
10. Change in Accounting Principle	45
11. Contingencies	45



Note I. Organization and Summary of Significant Accounting Policies

1. Organization

The Cape Coral Charter School Authority ("Authority") was created for the purpose of operating and managing, on behalf of the City of Cape Coral ("City"), all charter schools for which a charter is held by the City. The powers of the Authority are exercised through a governing board, which is known as the Cape Coral Charter School Authority Board which provides governance of the charter schools. Seven (7) members of the governing board are appointed by the City Council, including one member of the City Council. The charter school superintendent serves as an "ex officio member" of the board. The parent members from each school level also serve as "ex officio" members of the board. The Charter School Superintendent and parent members are non-voting members. The City Council approves the Charter School Authority's budget and must approve any debt issuances. The Cape Coral Charter School Authority will be presented as a discretely presented component unit within the City of Cape Coral's Annual Comprehensive Financial Report. The Charter School Authority has no component unit of its own.

2. Related Organization

The Cape Coral Municipal Charter Schools Foundation ("Foundation") was established in October 2004 as the fundraising arm of the City of Cape Coral Municipal Charter School system. The Foundation is a legally separate 501(c)3 nonprofit organization with a separate governing board. Because the Authority does not appoint a voting majority of the Foundation's governing body, and the Foundation is not fiscally dependent upon the Authority, the Foundation does not meet the criteria for inclusion as a component unit of the Authority for financial reporting purposes. Accordingly, the Foundation's financial information is not included in the Authority's financial statements.

3. Summary of Significant Accounting Policies

The financial statements of the Cape Coral Charter School Authority have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting. GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The Cape Coral Charter School Authority is reported as a governmental fund and it is used to account for the operating financial resources of the Authority.

4. Basic Financial Statements

The basic financial statements include the Statement of Net Position, Statement of Activities, Balance Sheet, and Statement of Revenues, Expenditures, and Changes in Fund Balance. These statements report all assets, liabilities, deferred inflows and outflows of resources, revenues, and expenses, providing a financial picture of the Cape Coral Charter School Authority as a whole.

The Statement of Net Position reports all non-fiduciary financial and capital resources and obligations of the Authority as a whole. The difference between assets and deferred outflows, and liabilities and deferred inflows is reported as net position.

The Statement of Activities summarizes the Authority's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The balance sheet discloses the assets, liabilities, deferred inflows of resources and fund balance of the Authority at a specified date.

The Statement of Revenues, Expenditures and Changes in Fund Balance reports revenues and expenditures resulting in a change in fund balance for the period and total ending fund balance.

5. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. The Cape Coral Charter School Authority's Government-wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities of the government-wide presentation.

Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e. both measurable and available). "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Authority considers all revenues available if they are collected within 60 days after year-end.

The following is a description of all the Authority's governmental funds:

- **General Fund** is the general operating fund of the Authority. It is used to account for all financial resources, except those required to be accounted for in another fund.
- **School Internal Fund** is a special revenue fund used to account for funds collected on behalf of students for use by a school organization, student club, class or athletic team. Funds collected shall be expended to benefit those students in school unless the funds are being collected for a specific documented purpose, such as Field Trips.
- **Multi-Year Fund** is a special revenue fund used to account for activities related to multi-year programs, such as the Before and After School programs and grants received by the Authority.
- **Food Service Fund** is a special revenue fund used to account for all activities related to operating the Food Service program, including the National School Lunch Program.
- **Capital Outlay Fund** is a restricted fund used to account for the collection and use of the Sales Tax Surcharge received from Lee County.

6. Cash and Investments

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. On August 8, 2011, the City of Cape Coral adopted a revised comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect cash and investment assets. This policy is adopted as the Cape Coral Charter School Authority Board's investment policy as stipulated in section 6144 of the Charter School bylaws. The Charter School Authority maintains a common cash and investment pool for the use of all funds. The investment policy applies to all cash and investments held or controlled by the Charter School Authority.

The cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes.

As of June 30, 2026, the Authority's investment portfolio did not include any investments that are required to be held by a third-party custodian.

Detailed information on allowable investments and actual holdings can be found in Note III, Detailed Notes 1: Cash and Investments.

7. Accounts and Intergovernmental Receivables

Receivables are monies due to the Cape Coral Charter School Authority at the end of the fiscal year. Receivables are distinguished between those due from other governmental agencies including the City of Cape Coral and those due from non-governmental sources (accounts receivable). Both are described in Note III, Detailed Notes 2: Intergovernmental Receivables.

8. Capital Assets

Capital assets are defined by the Authority as assets with an initial, individual cost of \$5,000 or more and a useful life in excess of one year. Capital assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized but are expensed as incurred.

Capital assets are depreciated using the straight-line method of depreciation over the useful lives of the related assets. The depreciable life of each asset is determined by City of Cape Coral Administrative Regulation F-1 and complies with generally accepted accounting principles.

Asset	Years
Equipment	3-10
Buildings	10-40
Vehicles	5-10
Leasehold Improvements	10
Computer Software	10

9. Long-term Liabilities

Compensated Absences – The Authority permits employees to accumulate earned but unused leave, which will be paid to the employee upon separation if certain criteria is met. These benefits plus the related taxes are classified as compensated absences.

10. Leases and Subscription-based Information Technology Arrangements (SBITA)

Leases: The Authority is a lessee for noncancellable leases of buildings and equipment. The Authority recognizes a lease liability and an intangible right-to-use leased asset in the government-wide financial statements. Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized over the term of the lease.

Key estimates and judgements related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed or variable payments and any purchase option price that the Authority is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate) are initially measured using the index or rate as of the commencement of the lease term.

The Authority does not currently hold any leases as a lessor.

Subscription-based Information Technology Arrangements (SBITA): The Charter School Authority has entered into Subscription-Based Information Technology Arrangements with various software providers. In May 2020, GASB introduced a new standard, Statement No 96 Subscription-based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will *not* exercise that option).

Under this Statement, the Authority has recognized a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The Authority recognized the subscription liability at the commencement of the subscription term, —which is when the subscription asset is placed into service. The subscription liability was initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

11. Fund Balance and Net Position

Fund Balance

The Authority uses restricted amounts to be spent first when both restricted and unrestricted fund balance are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Authority would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The Authority established restricted fund balances in the General Fund for Local Capital Improvement Revenue (S.1013.62, Florida Statutes). These fund balances are restricted by Florida Statute as set forth in the annual budget and any amendments thereto.

The following classifications describe the relative strength of the spending constraints within the Authority's fund balance.

Non-Spendable Fund Balance: Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as the long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance: Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance: Amounts that can be used only for the specific purposes determined by a formal action of the Governing Board; the Charter Authority's highest level of decision-making authority. Commitments may be changed or lifted only by the Board taking the same formal action that imposed the constraint originally, which is by resolution.

Assigned Fund Balance: Portion that reflects a government's intended use of resources. Includes spendable fund balance amounts established by management of the Authority that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned Fund Balance: Unassigned fund balance is the residual classification for the general fund. This classification represents a fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Unrestricted Fund Balance: The total of committed fund balance, assigned fund balance, and unassigned fund balance.

In the general fund, the Authority strives to maintain an unassigned balance of 5% of annual resources of the general fund. This is the target that the unassigned fund balance should not fall below without establishing a replenishment plan. The Authority established the following committed fund balance reserves:

Textbooks: The Textbooks reserve fund balance is established to fund replacement of textbooks every four years spreading the costs equally over time at 25% per year of forecasted cost of textbooks at the time of replacement.

Student laptop computer reserve: The school-by-school student laptop computer reserve fund balance is established to replace student laptop computers at each school every four years spreading the costs equally over time at 25% per year to ensure funds are available for the forecasted cost of student laptop computers at the time of replacement.

Information Technology equipment reserve: The information technology equipment reserve fund balance is established to replace information technology at each school every seven years spreading the costs equally over time to ensure funds are available for the forecasted cost of information technology equipment at the time of replacement.

Playground Equipment: The playground equipment reserve fund balance is established to replace the playground equipment at the North and South Elementary Schools every ten years spreading the costs equally over time to ensure funds are available for the forecasted cost of playground equipment at the time of replacement.

Detailed information on fund balances can be found in Note III, Detailed Notes 7: Fund Balances.

Net Position

Net Position of the government-wide funds is categorized as net investment in capital assets, restricted or unrestricted. The first category represents net position related to capital assets. The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints by legislation in excess of the related liabilities payable from restricted assets. The unrestricted net position category represents 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 use, it is the City’s policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

12. Intergovernmental Revenue

Federal Revenue Sources

Cape Coral Charter School Authority receives federal monies distributed through the Florida Department of Education for the National School Lunch Program.

The Authority receives Title II-A funding, which is designed to increase student academic achievement through strategies such as improving teacher and principal quality, increasing the number of highly qualified teachers in the classroom, and ensuring that highly qualified principals and assistant principals service in schools while holding local educational agencies and schools accountable for improvements in student academic achievement.

Title IV is a block grant that supports the needs for improvement in three key areas: access to and opportunities for a well-rounded education, safe and supportive conditions for learning, and access to personalized learning experiences supported by technology. In fiscal year 2026, all schools received Title IV funding.

Oasis High School receives reimbursement from the Army Junior Reserve Officer (JROTC) program. This funding is to offset approximately 50% of the cost of the three JROTC instructors’ salaries. The program is offered to high schools that teach students character education, student achievement, wellness, leadership, and diversity. It is a cooperative effort between the Army and the high schools to produce successful students and citizens, while fostering in each school a more constructive and disciplined learning environment.

During fiscal year 2026, the Authority received a federal grant from the U.S. Food and Drug Administration to assist in a research study of Food Toxicity in School Lunch programs. This grant allowed the Food Service program to upgrade kitchen equipment to provide fresh and organic food products.

State Revenue Sources

Revenue from State sources for current operations is primarily from the Florida Education Finance Program, administered by the Florida Department of Education under the provisions of Section 1011.62, Florida Statutes. In accordance with the law, the Cape Coral Charter School Authority determines and reports to the Lee County School District the number of full-time equivalent students (FTE). The Department performs certain edit checks on the reported number of FTE students and remits funding based on the Department’s current year adopted allocations.

The Cape Coral Charter School Authority is eligible to receive Public Education Capital Outlay (PECO) funding from the State of Florida Department of Education. Capital Outlay funding is based on enrollment and is intended to help offset the cost of the school buildings.

Funding is received from the Florida Department of Education for the Advanced International Certificate of Education Program (AICE) at Oasis High School. This program funds teacher bonuses and additional costs to operate the Cambridge curriculum program. Funding is determined by the number of students participating in the program and the AICE testing results.

The Authority receives funding for the Florida Teachers Classroom Supply Assistance Program which provides funding to teachers for the purchase of classroom supplies each September. This program was funded by the Florida legislature for the 2025-2026 school year. Future funding is contingent upon legislative approval.

The Authority receives funding for Teacher Salary Allocation which provides funding to increase compensation for full-time classroom teachers assisting school districts in their recruitment and retention of classroom teachers and instructional personnel.

TAPS is an acronym used by the FDOE Grants Management team and stands for Tracking Applications. The Authority receives TAPS Safety & Security. This funding is used specifically for the purpose of Building Safety and Security needs for the school buildings.

13. Pensions

In the government-wide statement of net position, liabilities are recognized for the Authority's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS), and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that period. The deferred outflows of resources reported in the Authority's statement of net position pertain to the Authority's participation in the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that period. The deferred inflows of resources reported in the Authority's statement of net position pertain to the Authority's participation in the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program.

Additionally, unavailable revenue (a deferred inflow of resources) is recorded for governmental fund receivables that are not available. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the fiscal year.

The potential components of deferred inflows or outflows relating to pensions include differences between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings on pension plan investments, changes in proportion between Authority contributions and the proportionate share of contributions, and the Authority's contributions subsequent to the measurement date.

15. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

16. Unearned Revenue

Revenue cannot be recognized until it has been earned and is available to finance expenditures of the current fiscal period. Revenue that is earned but not available is reported as deferred inflow of resources in the General Fund until such time as the revenue becomes available.

17. Use of Estimates

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

18. Change within the Reporting Entity

Effective July 1, 2025, the Authority reclassified portions of the General fund into nonmajor funds for School Internal Fund and Multi-Year Funds. This reclassification was made to improve financial reporting transparency. The change represents a reclassification only and had no effect on the Authority’s previously reported total net position or fund balances.

	June 30, 2025 as Previously Reported	Change within Financial Reporting Entity	June 30, 2025 as restated
General Fund	\$ 21,977,581	\$ (543,615)	\$ 21,433,966
Nonmajor funds:			
School Internal Funds	-	512,501	512,501
Multi-Year Funds	-	31,114	31,114
Total Governmental Funds	<u>\$ 21,977,581</u>	<u>\$ -</u>	<u>\$ 21,977,581</u>

Note II. Stewardship, Compliance, and Accountability

1. Compliance with Finance-Related Legal and Contractual Provisions

The Authority believes it is not in violation of any finance-related legal or contractual provisions.



Note III. Detailed Notes

1. Cash and Investments

As of June 30, 2026, the Cape Coral Charter School Authority had the following cash and investment amounts:

Category	Fair Value
Checking and savings accounts	\$ 3,714,668
Cash on hand	881
Local Government Investment Pool - Florida Prime (SBA)	9,640,060
Local Government Investment Pool - Florida Safe	2,254,026
Intergovernmental Investment Pool - Florida Class	7,778,807
Total	<u>\$ 23,388,442</u>

A. Cash and Cash Equivalents

The cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes.

B. Investment Portfolio

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. On August 8, 2011, the City of Cape Coral adopted a revised comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect cash and investment assets. This policy is adopted as the Cape Coral Charter School Authority Board's investment policy as stipulated in section 6144 of the Charter School bylaws. The Charter School Authority maintains a common cash and investment pool for the use of all funds. The investment policy applies to all cash and investments held or controlled by the Charter School Authority.

The Charter School Authority's investment policy allows for the following investments:

- Florida PRIME
- United States Government Securities, unconditionally guaranteed by the United States Government
- United States Government Agencies, issued or guaranteed by United States Government agencies
- Federal Instrumentalities, issued or guaranteed by United States Government sponsored agencies
- Non-Negotiable Interest-Bearing Time Certificates of Deposit or Saving Accounts, in banks organized under the laws of the state and/or in national banks organized under the laws of the United States and doing business and situated in the State of Florida
- Repurchase Agreements
- Commercial Paper, of any United States company that is rated at the time of purchase
- Bankers' Acceptances, issued by a domestic bank or a federally chartered domestic office of a foreign bank
- State and/or Local Government Taxable and/or Tax-Exempt Debt
- Registered Investment Companies (Mutual Funds), that are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R § 270.2a-7
- Intergovernmental Investment Pools, that are authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes Intergovernmental Investment Pools. A maximum of 25% of available funds may be invested in the intergovernmental investment pools
- Corporate Notes, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States

- Corporate Obligations, issued by financial institutions that participate in the FDIC's Temporary Liquidity Guarantee Program and are fully insured by the FDIC and guaranteed by the United States Government
- Mortgage-Backed Securities (MBS) that are based on mortgages that are guaranteed by a government agency or GSE for payment
- Asset-Backed Securities (ABS) that are backed by financial assets
- Bond Funds

As of June 30, 2026, the Charter School Authority had the following investment types and effective duration presented in terms of years:

Security Type	Fair Value	Weighted Average Duration (Years)
Local Government Investment Pool - Florida Prime (SBA)	\$ 9,640,060	0.13
Local Government Investment Pool - Florida Prime Safe	2,254,026	0.15
Intergovernmental Investment Pool - Florida Class	7,778,807	0.14
Total Fair Value	\$ 19,672,893	
Portfolio Weighted Average Duration		0.14

C. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

Market approach: This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.

Cost approach: This technique determines the amount required to replace the current asset. This approach may be ideal for the valuation of donations of capital assets or historical treasures.

Income approach: This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs should be maximized in fair value measures, and unobservable inputs should be minimized.

As of June 30, 2026, the Authority had the following investment measurements by security type:

	Total Fair Value
Investments Measured at Net Asset Value (NAV)	
Intergovernmental Investment Pool - Florida Class	\$ 7,778,807
Local Government Investment Pool - Florida Safe	2,254,026
Investment Measured at Amortized Cost	
Local Government Investment Pool - Florida Prime (SBA)	9,640,060
Total Investments	\$ 19,672,893

Investment in Florida CLASS are redeemed daily.

The Florida Class ("FLCLASS") and Florida Safe ("FLSAFE") investment pools seek to generate competitive market returns in a manner that will provide safety of principal while meeting the liquidity needs of participants.

The SBA Pool Florida PRIME manages billions of dollars for Florida local governments and purchases investments consistent with Chapter 215.47, Florida Statutes. Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Thus, the pool operates essentially as a money market fund, but is classified as an external investment pool.

Qualifying local government investment pools in the state of Florida must comply with applicable Florida statutory requirements. Chapter 218.409(8)(a), Florida Statutes state that the principal balance within a LGIP trust fund is subject to withdrawal at any time. However, upon the occurrence of an event that materially impacts the liquidity or operations of the trust fund, the Executive Director may, in good faith, temporarily limit contributions to and withdrawals from the trust fund for up to 48 hours to ensure that the Board can properly invest and safeguard the monies entrusted to it in accordance with its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council.

With regard to liquidity fees, Chapter 208.409(4) provides authority for an LGIP to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made by the SBA.

D. Interest Rate Risk

The Charter School Authority's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds, "core funds," shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreement.

The Authority utilizes "effective duration" as a measurement of interest rate risk and, as of June 30, 2026 the investment portfolio had an effective duration of .11 years.

Credit Risk

The Authority's investments on June 30, 2026 are limited to credit quality ratings from nationally recognized rating agencies as follows:

Registered Investment Companies (Mutual Funds)

- Rated AAAM by Standard & Poor's or the equivalent by another rating agency.
- Open-end, no-load funds registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. § 270.2a-7.
- Other mutual funds, at the discretion of the Financial Services Director, provided they are registered under the Federal Investment Company Act of 1940, invest exclusively in the securities specifically permitted under this investment policy, and are similarly diversified.

Intergovernmental Investment Pools

- Rated AAAM by Standard & Poor's or the equivalent by another rating agency.
- Authorized pursuant to the Florida Inter-local Cooperation Act, (Section 163.01, Florida Statutes), provided that said funds contain no derivatives.

As of June 30, 2026, the Authority had the following credit exposure as a percentage of total investments:

Security Type	S&P Credit	
	Rating	% of Portfolio
Local Government Investment Pool - Florida Prime (SBA)	AAAm	47.45%
Local Government Investment Pool - Florida Safe	AAAm	15.30%
Intergovernmental Investment Pool - Florida Class	AAAm	37.25%
		<u>100.00%</u>

E. Custodial Credit Risk

The Authority's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the Authority should be properly designated as an asset of the Authority. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

As of June 30, 2026, the Authority's investment portfolio did not include any investments that are required to be held by a third-party custodian.

F. Concentration of Credit Risk

The Authority's investment policy has established asset allocation and issuer limits on certain investments, which is designed to reduce concentration of credit risk of the Authority's investment portfolio. Since the Authority is invested in Florida PRIME, which is a local government investment pool, a maximum of 75% of available funds may be invested in this investment category. The Authority is also invested in Florida Class, an Intergovernmental Investment Pool, which allows for a maximum of 75% investment in this category. Additionally, the Authority utilizes Bank United checking account as an investment tool, through which unlimited investing may be done.

As of June 30, 2026, the Authority had the following issuer concentration based on fair value:

Issuer	Fair Value	Percentage of
		Portfolio
Local Government Investment Pool - Florida Prime (SBA)	\$ 9,640,060	48.99%
Local Government Investment Pool - Florida Safe	2,254,026	11.45%
Intergovernmental Investment Pool - Florida Class	7,778,807	39.55%
	<u>\$ 19,672,893</u>	<u>100.00%</u>

2. Receivables

	General Fund	Other Governmental Funds	Total
Accounts Receivable			
Other AR	\$ 17,659	\$ 21,449	\$ 39,108
Total Accounts Receivable	<u>\$ 17,659</u>	<u>\$ 21,449</u>	<u>\$ 39,108</u>
Intergovernmental Receivables			
Florida Department of Education Grants	\$ 16,454	\$ -	\$ 16,454
JROTC	5,630	-	5,630
Public Educational Capital Outlay (PECO)	195,702	-	195,702
Miscellaneous Receivables	20,139	-	20,139
Total Intergovernmental Receivables	<u>\$ 237,925</u>	<u>\$ -</u>	<u>\$ 237,925</u>

3. Capital Assets

Capital asset activity for the year ended June 30, 2026 was as follows:

Capital Assets	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Work in progress	\$ 129,204	\$ 5,788	\$ (129,204)	\$ 5,788
Capital assets, being depreciated				
Equipment	2,344,107	853,714	(40,138)	3,157,683
Vehicles	1,410,518	614,742	-	2,025,260
Leasehold improvements	1,030,935	44,116	-	1,075,051
Computer software	13,700	-	-	13,700
Lease assets:				
Equipment	268,766	-	-	268,766
Buildings	11,649,246	-	-	11,649,246
Subscription Assets	883,471	246,473	(801,062)	328,882
Capital assets, being depreciated	<u>17,600,743</u>	<u>1,759,045</u>	<u>(841,200)</u>	<u>18,518,588</u>
Less accumulated depreciation for				
Equipment	(1,763,488)	(253,723)	39,733	(1,977,478)
Vehicles	(806,805)	(127,577)	-	(934,382)
Leasehold improvements	(543,092)	(149,371)	-	(692,463)
Computer software	(13,700)	-	-	(13,700)
Lease assets:				
Equipment	(82,788)	(50,497)	-	(133,285)
Buildings	(5,837,785)	(1,452,865)	-	(7,290,650)
Subscription Assets	<u>(248,312)</u>	<u>43,323</u>	<u>62,426</u>	<u>(142,563)</u>
Total accumulated depreciation and amortization	<u>(9,295,970)</u>	<u>(1,990,710)</u>	<u>102,159</u>	<u>(11,184,521)</u>
Total capital assets, being depreciated	<u>8,304,773</u>	<u>(231,665)</u>	<u>(739,041)</u>	<u>7,334,067</u>
Total capital assets, net	\$ <u>8,433,977</u>	\$ <u>(225,877)</u>	\$ <u>(868,245)</u>	\$ <u>7,339,855</u>

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Instruction Basic (FEFP K-12)	\$ 21,747
General Administration	2,442
School Administration	19,554
Food Services	16,215
Data Processing Services	108,848
Pupil Transportation Services	127,577
Operation of Plant	1,673,106
Maintenance of Plant	19,622
Health Services	1,599
Total depreciation and amortization expense	\$ <u>1,990,710</u>

4. Related Party Transactions

The City of Cape Coral, a related party, performs various services for the Authority and invoices the Authority monthly. These services relate to accounting, budget, human resources, fleet maintenance, facility maintenance, security and school resource officers, information technology, health insurance, and custodial services. The amount incurred for these services for the year ended June 30, 2026 was \$11,145,846.

The City of Cape Coral and the Authority have entered into a lease agreement for the use of school buildings. In accordance with GASB Statement No. 87, the total rental expense for the fiscal year amounted to \$1,500,000.

As of June 30, 2026, \$266,310 of the total was Due to the City of Cape Coral.

5. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2026, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Leases payable	\$ 6,060,818	\$ -	\$ (1,496,878)	\$ 4,563,940	\$ 1,512,534
SBITA Payable	622,981	91,020	(674,183) ¹	39,818	30,071
Total capital related	6,683,799	91,020	(2,171,061)	4,603,758	1,542,605
Compensated absences	927,777	193,935	(151,230)	970,482	155,277
Total	\$ 7,611,576	\$ 284,955	\$ (2,322,291)	\$ 5,574,240	\$ 1,697,882

¹ Includes early SBITA Termination of \$584,538.

The Authority is a lessee for noncancellable leases of buildings and equipment. At June 30, 2026, the Authority's lease payable of \$4,563,940 was composed of the following:

On 07/01/2021, Charter Schools - Cape Coral, FL entered into a 96 month lease as Lessee for the use of CS Building Lease. An initial lease liability was recorded in the amount of \$7,308,203. As of 06/30/2026, the value of the lease liability is \$4,427,346, and the value of the short-term lease liability is \$1,460,188. Charter Schools - Cape Coral, FL is required to make monthly fixed payments of \$125,000. The lease has an interest rate of 1.0590%. The Buildings estimated useful life was 96 months as of the contract commencement. The value of the right to use asset as of 06/30/2026 of \$11,649,248 with accumulated amortization of \$7,290,652 is included with Buildings on the Lease Class activities table found below.

\$ 4,427,346

On 10/01/2023, Charter Schools - Cape Coral, FL entered into a 63 month lease as Lessee for the use of CS Canon Copiers MA36980 Copy. An initial lease liability was recorded in the amount of \$260,513. As of 06/30/2026, the value of the lease liability is \$131,559, and the value of the short-term lease liability is \$50,719. Charter Schools - Cape Coral, FL is required to make monthly fixed payments of \$4,273. The lease has an interest rate of 0.5140%. The Equipment estimated useful life was 63 months as of the contract commencement. The value of the right to use asset as of 06/30/2026 of \$260,513 with accumulated amortization of \$134,327 is included with Equipment on the Lease Class activities table found below

131,559

On 06/12/2024, Charter Schools - Cape Coral, FL entered into a 60 month lease as Lessee for the use of Quadient Lease. An initial lease liability was recorded in the amount of \$8,253. As of 06/30/2026, the value of the lease liability is \$4,641, and the value of the short-term lease liability is \$1,649. Charter Schools - Cape Coral, FL is required to make quarterly fixed payments of \$439. The lease has an interest rate of 2.6160%. The Equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use asset as of 06/30/2026 of \$8,253 with accumulated amortization of \$3,388 is included with Equipment on the Lease Class activities table found below.

5,035

Total leases payable

\$ 4,563,940

Principal and Interest Requirements to Maturity

For the Year ending June 30	Principal	Interest	Total
2027	1,512,534	\$ 40,637	\$ 1,553,171
2028	1,528,389	25,042	1,553,431
2029	1,523,017	9,281	1,532,298
Total	\$ 4,563,940	\$ 74,960	\$ 4,638,900

The Authority entered into Subscription-Based Information Technology Arrangements (SBITA) with a noncancellable right to use the underlying IT assets of software subscriptions. At June 30, 2026, the Authority's subscription payable of \$39,818 was composed of the following:

On 07/01/2022, Charter Schools - Cape Coral, FL entered into a 48 month subscription for the use of Centegix Crisis Alert System. An initial subscription liability was recorded in the amount of \$27,562. As of 06/30/2026, the value of the subscription liability is \$0, and the value of the short-term subscription liability is \$0. Charter Schools - Cape Coral, FL is required to make annual fixed payments of \$2,358. The subscription has an interest rate of 0.6710%. The value of the right to use asset as of 06/30/2026 of \$23,000 with accumulated amortization of \$22,956 is included with Software on the Subscription Class activities table found below. \$ 4,562

On 08/20/2024, Charter Schools - Cape Coral, FL entered into a 36 month subscription for the use of Cisco Collaboration Flex Plan. An initial subscription liability was recorded in the amount of \$47,217. As of 06/30/2026, the value of the subscription liability is \$15,998, and the value of the short-term subscription liability is \$15,998. Charter Schools - Cape Coral, FL is required to make annual fixed payments of \$16,489. The subscription has an interest rate of 3.0670%. The value of the right to use asset as of 06/30/2026 of \$47,217 with accumulated amortization of \$29,336 is included with Software on the Subscription Class activities table found below. 15,998

On 04/09/2026, Charter Schools - Cape Coral, FL entered into a 36 month subscription for the use of onPhase. An initial subscription liability was recorded in the amount of \$29,248. As of 06/30/2026, the value of the subscription liability is \$19,258, and the value of the short-term subscription liability is \$9,511. Charter Schools - Cape Coral, FL is required to make annual fixed payments of \$9,990. The subscription has an interest rate of 2.4890%. The value of the right to use asset as of 06/30/2026 of \$29,248 with accumulated amortization of \$2,221 is included with Software on the Subscription Class activities table found below. 19,258

Total subscriptions payable **\$ 39,818**

Principal and Interest Requirements to Maturity

For the Year ending June 30	Principal	Interest	Total
2027	\$ 30,071	\$ 970	\$ 31,041
2028	9,747	246	9,993
Total	\$ 39,818	\$ 1,216	\$ 41,034

6. Fund Balances

Fund balances for governmental funds at June 30, 2026, are as follows:

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:			
Nonspendable			
Prepaid Items	\$ 93,249	-	\$ 93,249
Restricted			
Capital Outlay	-	22,265	22,265
Food Services	-	1,001,209	1,001,209
Total Restricted	-	1,023,474	1,023,474
Committed			
Playground	800,000	-	800,000
Student Laptops	1,492,500	-	1,492,500
Textbooks	800,000	-	800,000
IT Equipment	1,833,000	-	1,833,000
Total Committed	4,925,500	-	4,925,500
Assigned			
Encumbrances	684,050	5,000	689,050
Unassigned	15,153,075	695,586	15,848,661
Total fund balances	\$ 20,855,874	\$ 1,724,060	\$ 22,579,934

7. Risk Management

The Charter School Authority is exposed to various risks of loss related to torts, theft of, damage to and the destruction of assets; errors and omissions; injury to employees; and natural disasters. Commercial property insurance coverage for the buildings leased by the Authority is provided by the City and reimbursed by the Authority as part of the annual lease payment. The Charter School Authority has purchased insurance coverage through Florida Municipal Insurance Trust for property (contents) and casualty with combined limits of \$1,000,000 per person/\$2,000,000 per accident, statutory workers compensation coverage, and other commercial insurance for the other exposures identified. No accrual has been provided for claims and incidents not reported to insurers. All known claims have been reported to the insurers. Claims made have not exceeded the insurance coverage for the past three fiscal years.

8. Defined Benefit Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Authority are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by

the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com).

The aggregate amount of net pension liability, related deferred outflows of resources, and deferred inflows of resources, and pension expense for the Charter School defined benefit pension plans are summarized below:

	FRS	HIS	Total
Net pension liability	\$ 6,461,698	\$ 4,257,504	\$ 10,719,202
Deferred outflows of resources related to pensions	3,013,871	445,979	3,459,850
Deferred inflows of resources related to pensions	1,839,050	1,365,477	3,204,527
Pension expense	609,814	29,202	639,016

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions in state and local governments who fill compulsory and designated positions. Members of the EOC may also elect to participate in the SMSC in lieu of EOC.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS 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, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS 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, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS 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, except that certain instructional personnel may participate for up to 96 months. 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.

Benefits Provided – Florida Retirement System Pension Plan

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service:	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Senior Management Service Class	2.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions – Florida Retirement System Pension Plan

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the Authority, effective July 1, 2025, were applied to employee salaries as follows: regular employees 11.51%, county elected officials 56.62%, senior management 32.46%, and DROP participants 19.13%. The Authority's contributions to the FRS Plan were \$1,437,778 for the year ended June 30, 2026.

Pension Costs – Florida Retirement System Pension Plan

At June 30, 2026, the Authority reported a liability of \$6,461,698 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025. The Authority's proportion of the net pension liability was based on the Authority's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2024, through June 30, 2025, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2025, the Authority's proportion was 0.02082%, which was a decrease of .00017% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2026, the Authority recognized pension expense of \$609,814 for its proportionate share of FRS's pension expense. In addition, the Authority reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 690,177	\$ -
Changes in Actuarial Assumptions	750,371	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,078,846
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	135,545	760,204
Authority Contributions Subsequent to the Measurement Date	1,437,778	-
Total	\$ 3,013,871	\$ 1,839,050

Deferred outflows of resources related to pensions resulting from Authority contributions to the FRS Plan subsequent to the measurement date, totaling \$1,437,778 will be recognized as a reduction of the net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

Year Ended June 30	Amount
2027	\$ (761,277)
2028	135,259
2029	202,419
2030	160,642
2031	-
Thereafter	-

Actuarial Assumptions – Florida Retirement System Pension Plan

The total pension liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.50%, Average, Including Inflation
Investment Rate of Return	6.70%, Net of Pension Plan Investment

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021. The actuarial assumptions used in the June 30, 2025, valuation was based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map 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 target allocation, as outlined in the FRS Plan's investment policy, 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 Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.2%	3.2%	1.1%
Fixed Income	29.00%	5.5%	5.4%	4.0%
Global Equity	45.00%	8.5%	6.9%	18.3%
Real Estate	12.00%	8.4%	7.1%	16.8%
Private Equity	11.00%	12.4%	8.8%	28.4%
Strategic Investments	2.00%	6.5%	6.1%	8.7%
Totals	100%			
Assumed Inflation - Mean			2.4%	1.5%

Discount Rate – Florida Retirement System Pension Plan

The discount rate used to measure the total pension liability was 6.70% for the FRS Plan. The projection of cash flows used to determine the discount rate assumes that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used in the 2023 valuation was 6.70%.

Pension Liability Sensitivity – Florida Retirement System Pension Plan

The following presents the Authority's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.70%	6.70%	7.70%
Authority's Proportionate Share of the FRS Plan Net Pension Liability	<u>\$ 12,680,982</u>	<u>\$ 6,461,698</u>	<u>\$ 1,247,540</u>

Pension Plan Fiduciary Net Position – Florida Retirement System Pension Plan

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description – Retiree Health Insurance Subsidy Program

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in

paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – Retiree Health Insurance Subsidy Program

For the fiscal year ended June 30, 2026, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – Retiree Health Insurance Subsidy Program

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members.

For the fiscal year ended June 30, 2026, the contribution rate was 2% of payroll pursuant to section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The Authority's contributions to the HIS Plan were \$330,176 for the year ended June 30, 2026.

Pension Costs – Retiree Health Insurance Subsidy Program

At June 30, 2026, the Authority reported a liability of \$4,257,504 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025. The Authority's proportion of the net pension liability was based on the Authority's contributions received during the measurement period for employer payroll paid dates from July 1, 2024, through June 30, 2025 relative to the total employer contributions received from all participating employers. At June 30, 2025, the Authority's proportion was 0.033%, which was a decrease of 0.001% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2026, the Authority recognized pension expense of \$29,202 for its proportionate share of HIS's pension expense. In addition, the Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 25,414	\$ 6,754
Changes in Actuarial Assumptions	37,684	1,029,781
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,544
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	52,705	325,398
Authority Contributions Subsequent to the Measurement Date	330,176	-
Total	\$ 445,979	\$ 1,365,477

Deferred outflows of resources related to pensions resulting from Authority contributions to the FRS Plan subsequent to the measurement date, totaling \$330,176 will be recognized as a reduction of the net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2027	\$ (275,679)
2028	(330,056)
2029	(277,884)
2030	(222,695)
2031	(143,360)
Thereafter	-

Actuarial Assumptions – Retiree Health Insurance Subsidy Program

The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per year
Salary Increases	3.50%, Average, Including Inflation
Municipal Bond Rate	5.20%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021. The actuarial assumptions used in the June 30, 2025, valuation were based on the results of an actuarial experience study for the FRS Plan for the period July 1, 2018, through June 30, 2023.

Discount Rate – Retiree Health Insurance Subsidy Program

The discount rate used to measure the total pension liability was 5.20% for the HIS Plan. In general, the discount rate used to calculate the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate used in the 2025 valuation was 5.20%.

Pension Liability Sensitivity – Retiree Health Insurance Subsidy Program

The following presents the Authority's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

<u>Description</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
HIS Plan Discount Rate	4.20%	5.20%	6.20%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	<u>\$ 4,801,021</u>	<u>\$ 4,257,504</u>	<u>\$ 3,801,665</u>

Pension Plan Fiduciary Net Position – Retiree Health Insurance Subsidy Program

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

9. Defined Contribution Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2024-25 fiscal year were as follows:

- For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2026, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.
- After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.
- Employee contributions to the Investment Plan totaled \$162,191 for the fiscal year ended June 30, 2026.

10. Change in Accounting Principle

During the fiscal year ended June 30, 2026, the Authority implemented GASB Statement No. 103, Financial Reporting Model Improvements.

11. Contingencies

The Authority is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency and which may result in disallowed expense amounts. These amounts, if any, constitute a contingent liability of the Authority. Accordingly, such liabilities are not reflected within the financial statements. The Authority does not believe any contingent liabilities are material.

The Authority is subject to various litigation for personal injury, workers compensation and discrimination claims. The Authority intends to vigorously defend any claims through insurance or legal avenues. Management does not believe there will be a material liability as a result of these claims.

Required Supplementary Information



**Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2026**

	Budgeted Amounts		Variance with Original Budget over (under) Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUE					
Federal Direct Sources					
JROTC reimbursable charges	\$ 113,810	\$ 113,810	\$ -	\$ 118,235	\$ 4,425
Federal through State Sources					
Federal through Local Sources					
State through Local Sources					
Florida Education Finance Program	27,201,566	27,201,566	-	28,220,887	1,019,321
FEFP Teacher Salary Allocation	1,940,888	1,940,888	-	1,394,097	(546,791)
Public Education Capital Outlay (PECO)	2,102,891	2,102,891	-	2,322,445	219,554
Advanced International Certificate of Education (AICE)	789,220	789,220	-	700,884	(88,336)
Dual Enrollment	-	-	-	15,953	15,953
TAPS Safety & Security	-	-	-	4,984	4,984
Industry Certification	-	-	-	42,064	42,064
Local Sources					
Local Capital Improvement Funds	2,727,000	2,727,000	-	2,796,918	69,918
Charges for Services	7,291	7,291	-	7,887	596
Transportation service charges	54,625	54,625	-	77,301	22,676
Speed Zone Camera Fines	-	-	-	2,851	2,851
Short term investment interest	404,000	404,000	-	793,929	389,929
Other miscellaneous revenues	72,024	72,024	-	166,938	94,914
Cash balances brought forward	-	2,561,961	(2,561,961)	-	(2,561,961)
Total Revenue	35,413,315	37,975,276	(2,561,961)	36,665,373	(1,309,903)
EXPENDITURES					
Instruction Basic (FEFP K-12)	19,329,099	19,910,022	(580,923)	19,419,394	490,628
Exceptional Education Services	588,892	602,374	(13,482)	568,940	33,434
Advanced International Certificate of Education (AICE)	399,973	292,555	107,418	246,324	46,231
Guidance Services	364,431	372,723	(8,292)	411,696	(38,973)
Health Services	349,809	358,025	(8,216)	398,384	(40,359)
Other Pupil Personnel Services	889,644	942,366	(52,722)	955,426	(13,060)
Instructional Media Services	123,549	134,070	(10,521)	133,089	981
Instructional Staff Training Services	7,871	950	6,921	-	950
Board	51,667	56,132	(4,465)	48,767	7,365
General Administration	658,926	667,227	(8,301)	459,451	207,776
School Administration	2,309,420	2,303,155	6,265	2,289,957	13,198
Facilities Acquisition & Construction	1,630,694	3,574,298	(1,943,604)	3,574,298	-
Fiscal Services	626,968	647,864	(20,896)	778,851	(130,987)
Data Processing Services	491,330	549,045	(57,715)	673,417	(124,372)
Pupil Transportation Services	2,418,665	2,310,675	107,990	2,358,580	(47,905)
Operation of Plant	2,668,949	2,749,691	(80,742)	2,892,167	(142,476)
Maintenance of Plant	255,147	291,116	(35,969)	225,528	65,588
Capital Outlay	1,027,168	1,946,803	(919,635)	1,367,513	579,290
Debt Service:					
Principal	1,488,597	1,568,253	(79,656)	1,586,523	(18,270)
Interest and fiscal charges	62,667	63,683	(1,016)	57,166	6,517
Total Expenditures	35,743,466	39,341,027	(3,597,561)	38,445,471	895,556
Total Expenditures	\$ 35,743,466	\$ 39,341,027	\$ (3,597,561)	\$ 38,445,471	\$ 895,556
Excess of Revenues over(under) Expenditures	\$ (330,151)	\$ (1,365,751)	\$ 1,035,600	\$ (1,780,098)	\$ 414,347
OTHER FINANCING SOURCES					
Proceeds From SBITA	-	-	-	91,020	91,020
Transfers In	44,315	44,315	-	2,228,731	2,184,416
Transfers Out	-	(1,090,424)	1,090,424	(1,117,745)	(27,321)
Total Other Financing Sources	44,315	(1,046,109)	1,090,424	1,202,006	2,248,115
Net change in Fund Balance	(285,836)	(2,411,860)	2,126,024	(578,092)	2,662,462
Fund Balance - beginning	21,433,966	21,433,966	-	21,433,966	-
Fund Balance - ending	\$ 21,148,130	\$ 19,022,106	\$ 2,126,024	\$ 20,855,874	\$ 2,662,462

The accompanying notes to the required supplementary information-budget comparisons are an integral part of this schedule.

Notes to the Budgetary Comparison Schedule

June 30, 2026

Note 1 - Budgetary Process and Basis

The Authority's annual budget for the General Fund is developed by the City's Senior Budget Analyst and Budget Administrator in coordination with the Charter School Administrative team and is approved by the Charter School Authority Governing Board and adopted by the Cape Coral City Council. The budget is prepared on the same modified accrual basis of accounting used to present the General Fund in these financial statements, and appropriations may be amended during the year by action of the Charter School Authority Governing Board and City Council.

Note 2 - Budget to Actual Variances

The Authority considers variances greater than approximately 1% of the final General Fund expenditure budget to be significant and explains those variances below.

Revenue:

- **Florida Education Finance Program (FEFP)** - Actual FEFP revenues exceeded the final budget due to higher-than-projected enrollment and updated state funding allocations received after budget adoption.
- **FEFP Teacher Salary Allocation** - Actual revenues were below the final budget primarily because state-allocated funding for teacher compensation adjustments were less than originally anticipated.
- **Public Education Capital Outlay (PECO)** - PECO revenues exceeded budget as a result of changes in the statewide distribution of capital outlay funds and updated allocation data received during the fiscal year.
- **Local Capital Improvement Funds and Investment Income** - Local capital revenues and short-term investment interest exceed budget due to higher proportional share of funds allocated to charter schools and increased interest rates on cash balances.
- **Transfers In** - Transfers from other funds were greater than budget due to additional resources that were needed to support capital projects and debt service requirements, which were authorized through budget amendments during the year.

Expenditures:

- **Facilities Acquisition and Construction and Capital Outlay** - Final budgeted amounts for facilities acquisition and capital outlay were significantly higher than the original budget to provide for planned construction and facility improvements; actual expenditures were below the final budget because certain projects were deferred or remain in progress at year-end.
- **Instruction and Support Services** - Variances within instructional, pupil support and administration functions reflect staffing changes, program enhancements and cost savings from unfilled positions compared to budget assumptions.
- **Pupil Transportation and Operation of Plant** - Variances in transportation and plant operations are primarily due to changes in fuel and utility costs, contract service rates and timing of repairs and maintenance.
- **Debt Service - Principal and Interest** - Debt service costs varied from budget primarily due to timing of scheduled payments and changes in variable interest rates on outstanding obligations.

Note 3 - Changes from Original to Final Budget

The final General Fund budget for the year ended June 30, 2026, was higher than the original budget primarily because of amendments to recognize additional capital outlay projects, updated salary and benefit costs, and revised revenue estimates for state and local funding including grants. These amendments were approved by the Charter School Authority Governing Board and adopted by the City Council in accordance with Charter School and City of Cape Coral budget policies.

Schedule of the Authority's Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan
Last Ten Measurement Periods

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Authority's Proportion of the Net Pension Liability	0.02151919%	0.02229310%	0.02153728%	0.02167031%	0.02172200%	0.02525322%	0.00251460%	0.02322742%	0.02153391%	0.02082059%
Authority's Proportionate Share of the Net Pension Liability	\$ 5,433,611	\$ 6,578,177	\$ 6,487,141	\$ 7,462,953	\$ 9,414,625	\$ 1,907,594	\$ 9,356,173	\$ 9,255,395	\$ 8,330,329	\$ 6,461,698
Authority's Covered-Employee Payroll	\$ 8,234,468	\$ 9,066,544	\$ 8,754,199	\$ 9,159,578	\$ 9,087,717	\$ 9,500,826	\$ 9,440,326	\$ 9,452,255	\$ 9,180,099	\$ 14,918,036
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	65.99%	72.55%	74.10%	81.48%	103.60%	20.08%	99.11%	97.92%	90.74%	43.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%	82.38%	83.70%	87.26%

*The amounts presented for each measurement period were determined as of June 30.

Schedule of Authority Contributions
Florida Retirement System Pension Plan
Last Ten Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Contractually Required Contribution	\$ 578,939	\$ 613,795	\$ 671,936	\$ 721,725	\$ 962,038	\$ 1,032,900	\$ 1,117,389	\$ 1,260,058	\$ 1,312,403	\$ 1,437,778
Contributions in Relation to the Contractually Required Contribution	(578,939)	(613,795)	(671,936)	(721,725)	(962,038)	(1,032,900)	(1,117,389)	(1,260,058)	(1,312,403)	(1,437,778)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered-Employee Payroll ¹	\$ 9,066,544	\$ 8,754,199	\$ 9,159,578	\$ 9,087,717	\$ 9,500,826	\$ 9,440,326	\$ 9,452,255	\$ 9,180,099	\$ 14,918,036	\$ 16,508,823
Contributions as a Percentage of Covered Employee Payroll	6.39%	7.01%	7.34%	7.94%	10.13%	10.94%	11.82%	13.73%	8.80%	8.71%

¹ In 2025 the calculation for the Authority's Covered-Employee Payroll was adjusted to include total FRS wages.

Schedule of the Authority's Proportionate Share of the Net Pension Liability
Retiree Health Insurance Subsidy Program
Last Ten Measurement Periods

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Authority's Proportion of the Net Pension Liability	0.03645134%	0.37128371%	0.03497874%	0.03512600%	0.03527580%	0.03731779%	0.03635212%	0.03484444%	0.03365813%	0.03321648%
Authority's Proportionate Share of the Net Pension Liability	\$ 4,248,252	\$ 3,969,936	\$ 3,702,189	\$ 3,930,242	\$ 4,307,115	\$ 4,577,115	\$ 4,577,589	\$ 3,850,270	\$ 5,049,048	\$ 4,257,504
Authority's Covered-Employee Payroll	\$11,252,742	\$11,834,557	\$11,427,706	\$11,758,045	\$12,265,671	\$13,219,076	\$13,265,248	\$13,858,943	\$14,340,670	\$14,918,036
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	37.75%	33.55%	32.40%	33.43%	35.12%	34.63%	29.03%	39.93%	35.21%	28.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%	4.80%	6.36%

*The amounts presented for each measurement period year were determined as of June 30.

Schedule of Authority Contributions
Retiree Health Insurance Subsidy Program
Last Ten Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Contractually Required Contribution	\$ 196,494	\$ 189,691	\$ 195,051	\$ 203,278	\$ 219,354	\$ 220,203	\$ 230,058	\$ 286,813	\$ 298,361	\$ 330,176
Contributions in Relation to the Contractually Required Contribution	(196,494)	(189,691)	(195,051)	(203,278)	(219,354)	(220,203)	(230,058)	(286,813)	(298,361)	(330,176)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's Covered-Employee Payroll	\$11,834,557	\$11,427,706	\$11,758,045	\$12,265,671	\$13,219,076	\$13,265,248	\$13,858,943	\$14,340,670	\$14,918,036	\$16,508,823
Contributions as a Percentage of Covered Employee Payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	2.00%	2.00%	2.00%

Combining Statements & Schedules



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

- School Internal Funds - used to account for funds collected on behalf of students for use by a school organization, student club, class or athletic team. Funds collected shall be expended to benefit those students in school unless the funds are being collected for a specific documented purpose.
- Multi-Year Funds - used to account for activities related to multiyear programs, such as the Before and After School Program and grants received by the Charter School Authority.
- Food Services Fund – used to account for the activities related to Food Services, including the National School Lunch program.
- Capital Outlay Restricted Fund – accounts for restricted Sales Tax Surcharge revenue received from Lee County.

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2026**

	School Internal Funds	Multi-Year Funds	Food Service Funds	Capital Outlay Restricted Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 469,674	\$ 245,097	\$1,054,198	\$ 22,265	\$ 1,791,234
Receivables, net	15,182	6,267	-	-	21,449
Total assets	<u>484,856</u>	<u>251,364</u>	<u>1,054,198</u>	<u>22,265</u>	<u>1,812,683</u>
LIABILITIES					
Accounts payable and other accrued liabilities	1,906	-	(512)	-	1,394
Accrued wages and benefits	-	19,662	3,732	-	23,394
Unearned revenue	-	14,063	49,769	-	63,832
Total liabilities	<u>1,906</u>	<u>33,725</u>	<u>52,989</u>	<u>-</u>	<u>88,620</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue – grant reimbursement	-	3	-	-	3
FUND BALANCES					
Restricted	-	-	1,001,209	22,265	1,023,474
Encumbrances	5,000	-	-	-	5,000
Unassigned	477,950	217,636	-	-	695,586
Total fund balances	<u>482,950</u>	<u>217,636</u>	<u>1,001,209</u>	<u>22,265</u>	<u>1,724,060</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 484,856</u>	<u>\$ 251,364</u>	<u>\$1,054,198</u>	<u>\$ 22,265</u>	<u>\$ 1,812,683</u>

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

**Combining Statement of Revenues, Expenditures, and Changes in Fund
Balance
Nonmajor Governmental Funds
June 30, 2026**

	School Internal Funds	Multi-Year Funds	Food Service Funds	Capital Outlay Restricted Funds	Total Nonmajor Governmental Funds
Revenues:					
Federal Direct Sources					
Other Federal Grants	-	\$ 179,345	-	-	\$ 179,345
Federal through State Sources					
NSLP Lunch Reimbursement	-	-	572,502	-	572,502
NSLP Breakfast Reimbursement	-	-	111,093	-	111,093
Federal through Local Sources					
Title II-A Funding	-	12,588	-	-	12,588
Title IV Funding	-	63,426	-	-	63,426
State through Local Sources					
TAPS - Safety & Security	-	33,333	-	-	33,333
Local Sources					
Food Service Sales	-	-	1,156,213	-	1,156,213
Capital Outlay Surtax	-	-	-	2,226,393	2,226,393
Charges for Services	428,446	602,484	-	-	1,030,930
Contributions and Donations	134,353	6,211	-	-	140,564
Other Revenue	243,241	-	4,726	-	247,967
Total Revenues	806,040	897,387	1,844,534	2,226,393	5,774,354
Expenditures:					
Instruction Basic (FEFP K-12)	755,120	84,326	-	-	839,446
Guidance Services	-	899	-	-	899
Instructional Media Services	6,243	-	-	-	6,243
Instructional Staff Training Services	-	12,588	-	-	12,588
School Administration	49,625	-	-	-	49,625
Food Services	-	85,408	1,933,749	-	2,019,157
Operation of Plant	-	680	-	-	680
Maintenance of Plant	-	13,930	-	-	13,930
Community Services	-	427,692	-	-	427,692
Capital Outlay	-	112,663	-	-	112,663
Debt Service:					
Total Expenditures	810,988	738,186	1,933,749	-	3,482,923
Excess of revenues over expenditures	(4,948)	159,201	(89,215)	2,226,393	2,291,431
Other Financing Sources:					
Transfers In	7,378	27,321	1,090,424	-	1,125,123
Transfers Out	(31,981)	-	-	(2,204,128)	(2,236,109)
Total Other Financing Sources	(24,603)	27,321	1,090,424	(2,204,128)	(1,110,986)
Net change in Fund Balance	(29,551)	186,522	1,001,209	22,265	1,180,445
Fund balance - beginning, as restated	512,501	31,114	-	-	543,615
Fund balance - ending	\$ 482,950	\$ 217,636	\$ 1,001,209	\$ 22,265	\$ 1,724,060

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

**Budgetary Comparison Schedule
Multi-Year Funds
For the Fiscal Year Ended June 30, 2026**

	Budgeted Amounts		Variance with Original Budget over (under) Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUE					
Federal Direct Sources					
Other Federal Grants	-	\$ 213,320	\$ (213,320)	\$ 179,345	\$ (33,975)
Federal through Local Sources					
Title II-A funding	-	26,350	(26,350)	12,588	(13,762)
Title IV funding	-	63,635	(63,635)	63,426	(209)
State through Local Sources					
TAPS Safety & Security	-	48,662	(48,662)	33,333	(15,329)
Local Sources					
Charges for Services	-	601,151	(601,151)	602,484	1,333
Contributions and donations private	27,321	33,532	(6,211)	6,211	(27,321)
Total Revenue	<u>27,321</u>	<u>986,650</u>	<u>(959,329)</u>	<u>897,387</u>	<u>(89,263)</u>
EXPENDITURES					
Instruction Basic (FEFP K-12)	97,321	166,268	(68,947)	84,326	81,942
Guidance Services	-	899	(899)	899	-
Instructional Staff Training Services	-	26,350	(26,350)	12,588	13,762
Food Services	-	103,138	(103,138)	85,408	17,730
Operation of Plant	-	680	(680)	680	-
Maintenance of Plant	-	27,210	(27,210)	13,930	13,280
Community Services	-	451,056	(451,056)	427,692	23,364
Capital Outlay	-	130,954	(130,954)	112,663	18,291
Total Expenditures	<u>97,321</u>	<u>906,555</u>	<u>(809,234)</u>	<u>738,186</u>	<u>168,369</u>
Total Expenditures	<u>\$ 97,321</u>	<u>\$ 906,555</u>	<u>\$ (809,234)</u>	<u>\$ 738,186</u>	<u>\$ 168,369</u>
Excess of Revenues over(under) Expenditures	<u>\$ (70,000)</u>	<u>\$ 80,095</u>	<u>\$ (150,095)</u>	<u>\$ 159,201</u>	<u>\$ 79,106</u>
OTHER FINANCING SOURCES					
Transfers In	38,886	38,886	-	27,321	(11,565)
Total Other Financing Sources	<u>38,886</u>	<u>38,886</u>	<u>-</u>	<u>27,321</u>	<u>(11,565)</u>
Net change in Fund Balance	(31,114)	118,981	(150,095)	186,522	67,541
Fund balance - beginning	31,114	31,114	-	31,114	-
Fund balance - ending	<u>\$ -</u>	<u>\$ 150,095</u>	<u>\$ (150,095)</u>	<u>\$ 217,636</u>	<u>\$ 67,541</u>

The accompanying notes to the required supplementary information-budget comparisons are an integral part of this schedule.

**Budgetary Comparison Schedule
Food Service Funds
For the Fiscal Year Ended June 30, 2026**

	Budgeted Amounts		Variance with Original Budget over (under) Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUE	Original	Final			
Federal through State Sources					
NSLP Lunch Reimbursement	\$ 573,953	\$ 573,953	\$ -	\$ 572,502	\$ (1,451)
NSLP Breakfast Reimbursement	100,286	100,286	-	111,093	10,807
Local Sources					
Student lunch service	1,233,761	1,233,761	-	1,156,213	(77,548)
Other miscellaneous revenues	1,980	1,980	-	4,726	2,746
Cash balances brought forward	-	17,768	(17,768)	-	(17,768)
Total Revenue	1,909,980	1,927,748	(17,768)	1,844,534	(83,214)
EXPENDITURES					
Food Services	1,764,240	1,975,112	(210,872)	1,933,749	41,363
Capital Outlay	10,000	-	10,000	-	-
Total Expenditures	1,774,240	1,975,112	(200,872)	1,933,749	41,363
Total Expenditures	\$ 1,774,240	\$ 1,975,112	\$ (200,872)	\$ 1,933,749	\$ 41,363
Excess of Revenues over(under) Expenditures	\$ 135,740	\$ (47,364)	\$ 183,104	\$ (89,215)	\$ (41,851)
OTHER FINANCING SOURCES					
Transfers In	-	1,090,424	(1,090,424)	1,090,424	-
Total Other Financing Sources	-	1,090,424	(1,090,424)	1,090,424	-
Net change in Fund Balance	135,740	1,043,060	(907,320)	1,001,209	(41,851)
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	\$ 135,740	\$ 1,043,060	\$ (907,320)	\$ 1,001,209	\$ (41,851)

The accompanying notes to the required supplementary information-budget comparisons are an integral part of this schedule.

**Budgetary Comparison Schedule
Capital Outlay Restricted Funds
For the Fiscal Year Ended June 30, 2026**

	Budgeted Amounts		Variance with Original Budget over (under) Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			
REVENUE					
Local Sources					
Capital Outlay Surtax	\$ -	\$ 2,204,128	\$ (2,204,128)	\$ 2,226,393	\$ 22,265
Total Revenue	<u>-</u>	<u>2,204,128</u>	<u>(2,204,128)</u>	<u>2,226,393</u>	<u>22,265</u>
Excess of Revenues over(under) Expenditures	\$ -	\$ 2,204,128	\$ (2,204,128)	\$ 2,226,393	\$ 22,265
OTHER FINANCING SOURCES					
Transfers Out	-	-	-	(2,204,128)	(2,204,128)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,204,128)</u>	<u>(2,204,128)</u>
Net change in Fund Balance	-	2,204,128	(2,204,128)	22,265	(2,181,863)
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ 2,204,128</u>	<u>\$ (2,204,128)</u>	<u>\$ 22,265</u>	<u>\$ (2,181,863)</u>

The accompanying notes to the required supplementary information-budget comparisons are an integral part of this schedule.

