

GATEWAY COMMUNITY CHARTERS

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

**YEAR ENDED
JUNE 30, 2025**

**COMMUNITY COLLABORATIVE CHARTER SCHOOL (CCCS)
Charter Number: 0699**

**COMMUNITY OUTREACH ACADEMY (COA)
Charter Number: 0561**

**FUTURES HIGH SCHOOL (FHS)
Charter Number: 0560**

**SACRAMENTO ACADEMIC & VOCATIONAL ACADEMY (SAVA)
Charter Number: 0878**

**SACRAMENTO ACADEMIC & VOCATIONAL ACADEMY - SCUSD (SAVA - SCUSD)
Charter Number: 1948**

**HIGHER LEARNING ACADEMY (HLA)
Charter Number: 0862**

**GATEWAY INTERNATIONAL SCHOOL (GIS)
Charter Number: 1563**

**EMPOWERING POSSIBILITIES INTERNATIONAL CHARTER (EPIC)
Charter Number: 1746**

**SACRAMENTO ACADEMIC & VOCATIONAL ACADEMY - EGUSD (SAVA - EGUSD)
Charter Number: 1949**

GATEWAY COMMUNITY CHARTERS

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INDEPENDENT AUDITOR’S REPORT

**To the Board of Directors
Gateway Community Charters
McClellan, California**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Gateway Community Charters (the Organization), a California non-profit public benefit corporation, which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. 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 Organization 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 opinion.

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, 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 Organization'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 Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Information, as listed in the Table of Contents, as required by the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, and as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Organization, Governing Board, and Administration section but does not include the basic financial statements and our auditor's report thereon. Our opinion 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 December 15, 2025, on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.



**GILBERT CPAs
Sacramento, California**

December 15, 2025

GATEWAY COMMUNITY CHARTERS

STATEMENT OF FINANCIAL POSITION JUNE 30, 2025

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 76,935,048
Receivables	18,388,837
Prepaid expenses	<u>597,341</u>
Total current assets	95,921,226

INVESTMENTS 9,755,747

PROPERTY AND EQUIPMENT, NET 63,568,924

RIGHT-OF-USE ASSETS - OPERATING LEASES 26,591,716

DEPOSITS 302,345

TOTAL ASSETS \$ 196,139,958

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 5,324,059
Due to other governments	612,599
Accrued expenses	3,905,893
Deferred revenue	1,118,197
Lease liabilities - operating leases, current	2,807,770
Debt, current	<u>473,593</u>
Total current liabilities	14,242,111

LEASE LIABILITIES - OPERATING LEASES, NET 25,031,787

DEBT, NET 13,297,143

TOTAL LIABILITIES 52,571,041

NET ASSETS:

Net assets without donor restrictions:	
Undesignated	116,415,962
Board designated	<u>4,250,000</u>
Net assets without donor restrictions	120,665,962
Net assets with donor restrictions	<u>22,902,955</u>
Total net assets	<u>143,568,917</u>

TOTAL LIABILITIES AND NET ASSETS \$ 196,139,958

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

GATEWAY COMMUNITY CHARTERS

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2025

NET ASSETS WITHOUT DONOR RESTRICTIONS:

SUPPORT, REVENUE, AND GAINS:

Federal revenue	\$ 5,158,692
State revenue:	
State aid portion of general purpose funding	60,828,254
All other state revenue	32,267,312
Local revenue:	
Cash in-lieu of property taxes	12,314,927
Investment and interest income	3,939,742
All other local revenue	857,501
Net assets released from restrictions	<u>10,055,763</u>
Total support, revenue, and gains	<u>125,422,191</u>

EXPENSES AND LOSSES:

Program services:	
Educational programs	97,239,294
Supporting services:	
General and administrative	<u>17,816,533</u>
Total expenses	115,055,827
Loss on the disposal of property and equipment	<u>61,047</u>
Total expenses and losses	<u>115,116,874</u>

INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS 10,305,317

NET ASSETS WITH DONOR RESTRICTIONS:

State revenue	20,103,780
Other local revenue	266,212
Net assets released from restrictions	<u>(10,055,763)</u>

INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS 10,314,229

INCREASE IN NET ASSETS 20,619,546

NET ASSETS, Beginning of Year 122,949,371

NET ASSETS, End of Year \$ 143,568,917

GATEWAY COMMUNITY CHARTERS

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2025

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Educational programs</u>	<u>General and administrative</u>	<u>Total</u>
Certificated salaries	\$ 36,452,694		\$ 36,452,694
Classified salaries	12,748,496	\$ 4,740,063	17,488,559
Employee benefits	19,375,674	2,369,372	21,745,046
Books and supplies	6,452,079	1,137,751	7,589,830
Subagreements for services	5,394,071	81,500	5,475,571
Travel and conferences	380,276	47,835	428,111
Dues and memberships	176,636	14,607	191,243
Insurance		825,993	825,993
Utilities, operations, and housekeeping services		1,488,545	1,488,545
Rental, leases, repairs, noncapitalized improvements	4,736,536	2,502,958	7,239,494
Professional services, advertising, audit fees, catering, health permits, and legal fees	4,935,143	1,585,253	6,520,396
Field trips	471,102		471,102
Licensing software and online services	1,627,077	395,863	2,022,940
Special education costs	219,176	1,923,531	2,142,707
Communications and postage	509,131	590,870	1,100,001
Depreciation and amortization	3,460,259	112,392	3,572,651
Interest	300,944		300,944
Total	<u>\$ 97,239,294</u>	<u>\$ 17,816,533</u>	<u>\$ 115,055,827</u>

GATEWAY COMMUNITY CHARTERS

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 20,619,546
Adjustments to reconcile to net cash provided by operating activities:	
Depreciation and amortization	3,572,651
Net realized/unrealized gain on investments	(884,718)
Receipt of donated property and equipment	(7,722)
Loss on disposal of property and equipment	61,047
Reduction in carrying amount of right-of-use assets - operating leases	4,167,996
Changes in:	
Receivables	(6,385,430)
Prepaid expenses	(547,480)
Deposits	(13,073)
Accounts payable	2,261,301
Due to other governments	(488,737)
Accrued expenses	(491,866)
Deferred revenue	376,405
Lease liabilities - operating leases	(3,691,833)
Net cash provided by operating activities	<u>18,548,087</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of investments	(2,144,656)
Sale of investments	1,799,301
Purchases of property and equipment	<u>(7,937,833)</u>
Net cash used by investing activities	<u>(8,283,188)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on debt	<u>(472,358)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS 9,792,541

CASH AND CASH EQUIVALENTS, Beginning of Year 67,142,507

CASH AND CASH EQUIVALENTS, End of Year \$ 76,935,048

NON-CASH INVESTING ACTIVITIES:

Right-of-use assets acquired through operating lease liabilities	<u>\$ 6,345,449</u>
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CASH PAID FOR INTEREST \$ 300,944

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

GATEWAY COMMUNITY CHARTERS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

1. OPERATIONS

Gateway Community Charters (the Organization) is a tax-exempt non-profit public benefit corporation that was established in 2003. The Organization governs nine unique charter schools. Five charter schools (CCCS, COA, FHS, SAVA, and HLA) were originally authorized by Grant Joint Union High School District (now Twin Rivers Unified School District). Gateway International School (GIS) is authorized by the San Juan Unified School District. Empowering Possibilities International Charter is authorized by the Yolo County Office of Education. Sacramento Academic & Vocational Academy - SCUSD is authorized by the Sacramento City Unified School District. Sacramento Academic & Vocational Academy - EGUSD is authorized by the Elk Grove Unified School District. The charter schools are as follows:

- Community Collaborative Charter School (CCCS)
- Community Outreach Academy (COA)
- Futures High School (FHS)
- Sacramento Academic & Vocational Academy (SAVA – TRUSD)
- Sacramento Academic & Vocational Academy – SCUSD (SAVA – SCUSD)
- Higher Learning Academy (HLA)
- Gateway International School (GIS)
- Empowering Possibilities International Charter (EPIC)
- Sacramento Academic & Vocational Academy – EGUSD (SAVA – EGUSD)

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with professional standards applicable to not-for-profit entities. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and cash equivalents – For financial statement purposes, the Organization considers investments with maturity at purchase of three months or less to be cash equivalents.

Receivables represent amounts of which the Organization has an unconditional right to receive. Receivable are stated at the amount management expects to be collected from the outstanding balance.

Investments are recorded at fair value. Unrealized gains and losses from the fluctuation of market value and realized gains and losses from the sale of investments are reflected in the statement of activities.

Property and equipment with a value greater than \$5,000 are capitalized at cost or fair value on the date of receipt in the case of donated property, and depreciated using the straight-line method over their estimated useful lives, which range from three to thirty years. Leasehold improvements are amortized over the lease term (including options) or the useful life. Major additions are capitalized, and repairs and maintenance that do not improve or extend the life of the assets are expensed. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts, with the resulting gain or loss reflected in the statement of activities.

GATEWAY COMMUNITY CHARTERS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

Leases – The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets are also adjusted for prepaid or accrued rent. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization has made an accounting policy election to use the risk-free rate at the lease commencement date, in lieu of its incremental borrowing rate to discount future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term. Lease terms may include options to renew, extend or terminate to the extent they are reasonably certain to be exercised. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Revenue recognition – Program service fees are recognized as revenue when the services are performed. Payments received in advance are deferred to the applicable period in which the related services are performed.

The Organization receives grant funds that are considered conditional contributions and are not recorded or recognized until the applicable condition has been met, generally expenditure on costs allowable under the grant agreement, or satisfaction of performance obligations. Amounts received are recognized as revenue in the applicable period in which the qualifying expenses are incurred in compliance with specific grant provisions. Funds received in excess of expenses incurred are recorded as deferred revenue. As of June 30, 2025, \$1,118,197 of grant funds are included in deferred revenue to be recognized in future periods. Additionally, as of June 30, 2025, the Organization had \$3,112,976 of conditional contributions available to be recognized in revenue in future periods under such grants. The terms of the related contracts expire at various times from 2026 to 2027. In some cases, the Organization may not be able to access the full amount available under the agreement based on its activities and level of expenditures.

Contributions are recognized when cash, or other assets, or an unconditional promise to give is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Donor-restricted contributions are reported as increases in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restricted contributions that were initially classified as conditional due to a qualifying expense barrier are recognized as net assets without donor restrictions since the restriction is met simultaneously when the condition is released and the revenue is recognized.

Functional allocation of expenses – The cost of providing educational programs and other activities has been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. The expenses that are allocated include rental, leases, repairs, noncapitalized improvements, and utilities, operations, and housekeeping services, and depreciation, which are allocated on a square footage basis, as well as salaries and wages, employee benefits, professional services, advertising, audit fees, catering, health

GATEWAY COMMUNITY CHARTERS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

permits, and legal fees, communications and postage, dues and memberships, travels and conferences, books and supplies, field trips, and special education costs, which are allocated on the basis of estimates of time and effort.

Income taxes – The Organization is publicly supported and has received tax-exempt status under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. There is no unrelated taxable income and, accordingly, there is no provision for income taxes in these financial statements. The Organization has applied the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements.

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 estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events have been reviewed through December 15, 2025, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2025 that require recognition or disclosure in the financial statements.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization’s financial assets available within one year of the statement of financial position date for general expenditure are as follows as of June 30, 2025:

Current financial assets

Cash and cash equivalents	\$ 76,935,048
Receivables	18,388,837
Total financial assets, available within one year	<u>95,323,885</u>
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restrictions by board designations	(4,250,000)
Restrictions by donors for purpose	<u>(22,902,955)</u>
Total financial assets available for general expenditures within one year	<u>\$ 68,170,930</u>

The Organization strives to maintain a reserve equivalent of 4-6 months of operating expenses. The California Department of Education currently requires a mandatory minimum 3% of operating expenditure reserve. The Organization well exceeds this requirement and maintains a healthy reserve.

4. CASH AND CASH EQUIVALENTS

The Organization maintains its cash in bank deposit accounts that at times may exceed federally insured limits. As of June 30, 2025, the book balance totaled \$671,311 of which there was a bank balance of \$713,290 that was held at one commercial bank. The bank balance exceeded the insured amount by the Federal Deposit Insurance Corporation (FDIC) by \$463,290. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant credit risk related to cash and cash equivalents.

GATEWAY COMMUNITY CHARTERS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

The Organization also maintains cash in the County Treasury. The County pools these funds with those of other educational organizations in the county and invests the cash. These pooled funds are carried at cost which approximates fair value. The fair value of the Organization's deposits in this pool as of June 30, 2025, as provided by the pool sponsor, was approximately \$76,263,737. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The funds maintained by the County are either secured by federal depository insurance or collateralized.

5. RECEIVABLES

Receivables as of June 30, 2025 are \$18,388,837. The balances are due entirely from grantor government agencies. Management deemed all receivables to be collectible and no provision for doubtful accounts is recorded as of June 30, 2025.

6. INVESTMENTS

Investments consist of the following as of June 30, 2025:

Mutual funds	\$ 1,029,403
U.S. government obligations	1,315,567
Corporate obligations	1,595,337
Corporate stocks	5,373,768
Real estate investment trusts	<u>441,672</u>
Total	<u>\$ 9,755,747</u>

Investment income for the year ended June 30, 2025 was as follows:

Dividends and interest from investments	\$ 185,213
Interest from cash held in County Treasury	2,869,811
Net realized/unrealized gain	<u>884,718</u>
Total	<u>\$ 3,939,742</u>

7. FAIR VALUE MEASUREMENTS

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

GATEWAY COMMUNITY CHARTERS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

- Level 1 Inputs Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2 Inputs Inputs other than quoted prices in active markets that are observable either directly or indirectly.
- Level 3 Inputs Unobservable inputs for the asset or liability.

When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant when measuring fair value.

Following is a description of the valuation methods used for assets measured at fair value. There have been no changes in methodologies used as of June 30, 2025.

Corporate stocks and mutual funds: Valued using quoted market prices which are available in an active market.

Corporate obligations, real estate investment trusts, and U.S. government obligations: Valued at the closing price reported on the active market on which individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2025:

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,029,403			\$ 1,029,403
U.S. government obligations		\$ 1,315,567		1,315,567
Corporate obligations		1,595,337		1,595,337
Corporate stocks	5,373,768			5,373,768
Real estate investment trusts		441,672		441,672
Total assets at fair value	\$ 6,403,171	\$ 3,352,576	\$	\$ 9,755,747

GATEWAY COMMUNITY CHARTERS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2025:

Land	\$ 1,932,945
Buildings, building improvements, and leasehold improvements	68,512,582
Furniture and equipment	8,925,899
Construction in progress	<u>6,810,854</u>
Subtotal	86,182,280
Less accumulated depreciation and amortization	<u>(22,613,356)</u>
Property and equipment, net	<u>\$ 63,568,924</u>

Depreciation and amortization expense for the year ended June 30, 2025 totaled \$3,572,651.

9. LINE OF CREDIT

The Organization has a line of credit in the amount of \$3,000,000 secured by a first lien security interest in the Organization's Wells Fargo investment account. The stated interest rate is equal to 1% below the lender's prime rate, and at no time shall be less than 1.00% per annum. Minimum interest only payments are due monthly, and the line of credit is scheduled to mature in July 2026, at which time any unpaid principal is due. There was no outstanding balance as of June 30, 2025.

10. DEBT

In January 2014, the Organization was approved and executed a Memorandum of Understanding for funding under the California Charter School Facilities State Prop 1D Program for Higher Learning Academy. The terms of the agreement provide that 50% of the Prop 1D funding consists of a grant, and the remaining 50% is a local match which will be repaid to the State as a loan. The Organization was not required to make repayments on the match until the completion of the facility project, at which point the repayment terms were determined. The facility project was completed during the year ended June 30, 2019. Beginning August 2019, the loan bears interest at 2% and interest and principal payments of \$68,685 are due annually in the months of August through January and March through May. As of June 30, 2025, the outstanding obligation was \$9,755,203. Final maturity is in 2048.

In January 2014, the Organization was approved and executed a Memorandum of Understanding for funding under the California Charter School Facilities State Prop 1D Program for Futures High School. The terms of the agreement provide that 50% of the Prop 1D funding consists of a grant, and the remaining 50% is a local match which will be repaid to the State as a loan. The Organization was not required to make repayments on the match until the completion of the facility project, at which point the repayment terms were determined. The facility project was completed during the year ended June 30, 2019. Beginning August 2019, the loan bears interest at 2% and interest and principal payments of \$68,685 are due annually in the months of August through January and March through May. As of June 30, 2025, the outstanding obligation was \$4,015,533. Final Maturity is in 2048.

GATEWAY COMMUNITY CHARTERS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

Future maturities of the debt are as follows:

<u>Year Ending June 30,</u>	
2026	\$ 473,593
2027	483,147
2028	492,893
2029	502,836
2030	512,980
Thereafter	<u>11,305,287</u>
Total	<u>\$ 13,770,736</u>

11. LEASES

The Organization leases facilities, land, and equipment under various non-cancellable operating lease agreements with various terms and various dates through 2041, which are included in the statement of financial position as of June 30, 2025, as ROU assets and operating lease liabilities of \$26,591,716 and \$27,839,557, respectively. The Organization included options to extend the agreements as part of the ROU assets and lease liabilities based on if the options were deemed reasonably certain to be exercised. Total operating lease expense under these agreements was \$5,310,893 for the year ended June 2025. Cash paid for amounts included in the measurement of operating lease liabilities totaled \$4,677,680 for the year ended June 30, 2025.

The ROU asset and operating lease liability were calculated using a risk-free discount rate. The weighted average discount rate associated with these operating leases as of June 30, 2025, was 3.46%.

As of June 30, 2025, the weighted average remaining lease term for all operating leases was 8.91 years.

Scheduled future minimum payments for these leases are as follows:

<u>Year Ending June 30,</u>	
2026	\$ 3,715,022
2027	3,697,442
2028	3,724,250
2029	3,632,994
2030	3,410,972
Thereafter	<u>14,465,502</u>
Total lease payments	32,646,182
Less: Interest	<u>(4,806,625)</u>
Present value of lease liabilities	<u>\$ 27,839,557</u>

The Organization has one lease agreement that includes variable payments based on annual enrollment projections, which are submitted annually and not determinable at the lease commencement and are not included in the measurement of the lease assets and liabilities. Variable lease payments totaled \$201,757 in the year ended June 30, 2025.

GATEWAY COMMUNITY CHARTERS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

12. NET ASSETS

Net assets with board designations

In June 2011, the Organization's Board of Directors approved a Committed Facility Acquisition and Improvement reserve designation for three of the schools: Community Outreach Academy (\$2,000,000), Community Collaborative Charter School (\$750,000) and Futures High School (\$1,500,000), totaling \$4,250,000 reserve of net assets without donor restrictions. The board designated reserve was established to support future facility acquisition, maintenance and building improvement costs and is also intended to mitigate potential risk of long-term lease agreements. As of June 30, 2025, these reserve designations are maintained in the specified charter school net assets and the funds may not be used or re-designated without formal action by the Organization's Board of Directors.

Net assets with donor restrictions

As of June 30, 2025, net assets with donor restrictions consisted of unexpended grants restricted for various purposes. Net assets with donor restrictions are to be used for the following purposes:

CA Community School Partnership	\$ 10,654,564
Golden State Pathways	4,238,413
Expanded learning opportunities (ELO) program	2,317,001
Prop 1D Facilities	1,850,801
Instructional materials	747,353
Dual enrollment opportunities	632,162
CARB electric school bus deployment	500,000
CYBHI child and youth behavioral health initiative	416,037
LCFF equity multiplier	322,031
Prop 28 arts & music in schools	305,031
A-G access/success grant	209,901
CYBHI capacity grant	173,750
MTSS professional development	130,386
Learning recovery emergency block grant	120,273
A-G learning loss mitigation grant	112,707
School athletic programs	64,862
Hastings fund scholarship program	50,125
Ethnic studies professional development	31,945
Lit Screening PD for K-2	25,318
Crossfit grant	6,838
Sacramento athletic league	2,457
Total	<u>\$ 22,902,955</u>

13. RETIREMENT PLANS

Qualified employees are eligible to participate in a CalPERS Supplemental Income 457 Plan. The plan is funded entirely by voluntary employee contributions.

GATEWAY COMMUNITY CHARTERS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

Qualified employees are also covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Classified employees are members of the California Public Employees' Retirement System (CalPERS), and certificated employees are members of the California State Teachers' Retirement System (CalSTRS).

California Public Employees' Retirement System (CalPERS)

Plan name:	California Public Employees' Retirement System (CalPERS) State & Schools
Plan's EIN:	94-6207465
Market value of assets:	\$93,234
Actuarial accrued liability:	\$128,972
Funded status:	65-80% funded

The actuarial value of assets and accrued liability are expressed in millions and valued as of June 30, 2023 with a measurement date of June 30, 2024, the most recent information available.

Plan Description

The Organization participates in the Schools Pool (the CalPERS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. CalPERS acts as a common investment and administrative agent for participating entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

Benefits Provided

The benefits for the CalPERS Plan are established by contract, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalPERS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalPERS Plan has two benefit structures: 1) CalPERS 2% at 55 – Members first hired on or before December 31, 2012, to perform CalPERS creditable activities, and 2) CalPERS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalPERS creditable activities. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 50 with a minimum of five years of CalPERS-credited service, while members hired after January 1, 2013, must be at least age 52 with a minimum of five years of service.

Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the CalPERS Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The CalPERS Plan's actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Classic plan members, defined as a member who joined CalPERS prior to January 1, 2013, are required to contribute 7% of their salary. New members who joined CalPERS for the first time on or after January 1, 2013 are required

GATEWAY COMMUNITY CHARTERS

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2025

to contribute 8% of their salary. The required employer contribution rate for the fiscal year ended June 30, 2025 was 27.05% of annual payroll and total contributions were \$4,856,162. The contribution requirements of the plan members are established by state statute. For the fiscal year 2026, the Organization is required to contribute 26.81% of annual payroll.

California State Teachers' Retirement System (CalSTRS):

Plan name:	California State Teachers' Retirement System (CalSTRS)
Plan's EIN:	94-6291617
Actuarial value of assets:	\$291,838
Actuarial accrued liability:	\$380,507
Funded status:	65-80% funded

The actuarial value of assets and accrued liability are expressed in millions and are valued and measured as of June 30, 2024, the most recent actuarial valuation date.

Plan Description

The Organization participates in the State Teachers' Retirement Plan (the CalSTRS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. CalSTRS acts as a common investment and administrative agent for participating entities within the State of California. CalSTRS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calstrs.com.

Benefits Provided

The benefits for the CalSTRS Plan are established by contract, in accordance with the provisions of the State Teachers' Retirement Law. Benefits are based on members' years of service, age, final compensation, and a benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The PEPRA made significant changes to the benefit structure that primarily affect members first hired to perform CalSTRS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalSTRS Plan has two benefit structures: 1) CalSTRS 2% at 60 – Members first hired on or before December 31, 2012, to perform CalSTRS creditable activities, and 2) CalSTRS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalSTRS creditable activities. The 2 percent, also known as the age factor, refers to the percentage of final compensation received as a retirement benefit for each year of service credit. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 60 with a minimum of five years of CalSTRS-credited service, while members hired after January 1, 2013, must be at least age 62 with five years of service.

Contributions

Assembly Bill 1469 (AB 1469), signed into law as a part of the State of California's (the State) 2014-15 budget, increases contributions to the CalSTRS Plan from members, employers, and the State over seven years, effective July 1, 2014. Starting with the fiscal year 2021-22 there may be additional annual adjustments not to exceed a maximum amount of 20.25%. Active plan members are required to contribute 10.205% or 10.25% of their salary, depending on when they were hired. The required employer contribution rate for the fiscal year ended June 30, 2025, was 19.10% of annual payroll and total contributions were \$6,535,232. For the fiscal year 2026, the Organization is required to contribute 19.10% of annual payroll.

GATEWAY COMMUNITY CHARTERS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

14. JOINT VENTURE

The Organization participates in a joint venture under a joint powers agreement (JPAs) with the California Charter School Joint Powers Authority, doing business as CharterSAFE (SAFE).

SAFE arranges for and provides workers' compensation, property, and liability insurance coverage for their members, respectively. The JPA is governed by boards consisting of a representative from each member. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member beyond their representation on the board. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

Complete separate financial statements for the JPA may be obtained from:

SAFE 250 E. 1st Street, Suite 1000, Los Angeles, California 90012

Condensed audited financial information of SAFE is as follows as of June 30, 2024 (the most recent available):

Total Assets	\$ 63,402,810
Total Liabilities	<u>(47,122,727)</u>
Net Position	<u>\$ 16,280,083</u>
Total Revenues	\$ 44,902,485
Total Expenses	<u>(45,418,574)</u>
Change in Net Position	<u>\$ (516,089)</u>

15. CONTINGENCIES

The Organization has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

The Organization may be involved in various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities, including employment matters. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Organization.

16. RELATED PARTY

Gateway Community Charters Foundation (Foundation) is a separate not-for-profit entity that raises contributions for the benefit of the Organization. Five of the Foundation's board members are to be chosen by the Organization, in accordance with the Foundation's bylaws. In addition, the Organization's superintendent and one board member sit on the Foundation's board. In the year ended June 30, 2025, the Foundation made contributions to the Organization totaling \$76,249.

SUPPLEMENTARY INFORMATION

GATEWAY COMMUNITY CHARTERS

SCHEDULE OF AVERAGE DAILY ATTENDANCE YEAR ENDED JUNE 30, 2025

	<u>Second Period Report</u>		<u>Revised Second Period Report*</u>		<u>Annual Report</u>	
	<u>Classroom Based</u>	<u>Total</u>	<u>Classroom Based</u>	<u>Total</u>	<u>Classroom Based</u>	<u>Total</u>
Community Collaborative Charter School (CCCS):						
TK/K-3	-	96.37	-	96.37	-	95.56
Grades 4 through 6	-	98.07	-	98.07	-	99.67
Grades 7 through 8	-	91.09	-	91.09	-	92.77
Grades 9 through 12	-	326.71	-	326.71	-	326.14
Total	-	<u>612.24</u>	-	<u>612.24</u>	-	<u>614.14</u>
Community Outreach Academy (COA):						
TK/K-3	890.74	899.94	889.84	899.18	890.83	899.78
Grades 4 through 6	585.26	589.54	585.27	589.69	583.32	587.65
Grades 7 through 8	323.94	325.64	323.94	325.65	321.06	322.89
Total	<u>1,799.94</u>	<u>1,815.12</u>	<u>1,799.05</u>	<u>1,814.52</u>	<u>1,795.21</u>	<u>1,810.32</u>
Futures High School (FHS):						
Grades 9 through 12	430.52	434.03	430.52	434.03	431.28	431.28
Total	<u>430.52</u>	<u>434.03</u>	<u>430.52</u>	<u>434.03</u>	<u>431.28</u>	<u>431.28</u>
Sacramento Academic & Vocational Academy - TRUSD (SAVA - TRUSD):						
Grades 7 through 8	-	19.89	-	19.89	-	20.34
Grades 9 through 12	-	195.35	-	195.35	-	200.43
Total	-	<u>215.24</u>	-	<u>215.24</u>	-	<u>220.77</u>
Sacramento Academic & Vocational Academy - SCUSD (SAVA - SCUSD):						
Grades 7 through 8	-	72.80	-	72.76	-	78.07
Grades 9 through 12	-	535.97	-	535.80	-	532.88
Total	-	<u>608.77</u>	-	<u>608.56</u>	-	<u>610.95</u>

GATEWAY COMMUNITY CHARTERS

SCHEDULE OF AVERAGE DAILY ATTENDANCE YEAR ENDED JUNE 30, 2025

	<u>Second Period Report</u>		<u>Revised Second Period Report*</u>		<u>Annual Report</u>	
	<u>Classroom Based</u>	<u>Total</u>	<u>Classroom Based</u>	<u>Total</u>	<u>Classroom Based</u>	<u>Total</u>
Higher Learning Academy (HLA):						
TK/K-3	213.59	214.42	213.60	214.52	214.15	214.96
Grades 4 through 6	156.63	157.22	156.64	157.26	156.02	156.60
Grades 7 through 8	104.10	104.69	104.12	104.71	103.63	104.31
Total	<u>474.32</u>	<u>476.33</u>	<u>474.36</u>	<u>476.49</u>	<u>473.80</u>	<u>475.87</u>
Gateway International School (GIS):						
TK/K-3	304.05	305.91	304.05	305.93	304.69	306.31
Grades 4 through 6	170.78	171.79	170.79	171.80	170.69	171.52
Grades 7 through 8	109.52	110.27	109.52	110.27	109.13	109.85
Total	<u>584.35</u>	<u>587.97</u>	<u>584.36</u>	<u>588.00</u>	<u>584.51</u>	<u>587.68</u>
Empowering Possibilities International Charter (EPIC):						
TK/K-3	183.79	185.45	183.79	185.41	183.57	185.06
Grades 4 through 6	129.47	131.16	129.47	131.16	128.68	130.25
Grades 7 through 8	78.62	79.64	78.62	79.64	78.38	79.26
Total	<u>391.88</u>	<u>396.25</u>	<u>391.88</u>	<u>396.21</u>	<u>390.63</u>	<u>394.57</u>
Sacramento Academic & Vocational Academy – EGUSD (SAVA – EGUSD):						
Grades 7 through 8	-	26.69	-	26.67	-	27.13
Grades 9 through 12	-	305.46	-	305.46	-	309.22
Total	<u>-</u>	<u>332.15</u>	<u>-</u>	<u>332.13</u>	<u>-</u>	<u>336.35</u>

*Reflects the adjustment for disallowance of 0.90 ADA at COA in Grades TK/K-3 as noted in the accompanying schedule of findings and questioned costs. Other revisions were for changes to independent study completion.

GATEWAY COMMUNITY CHARTERS

SCHEDULE OF INSTRUCTIONAL TIME YEAR ENDED JUNE 30, 2025

	<u>Required Minutes</u>	<u>2024-2025 Minutes Offered</u>	<u>Required Number of Instructional Days</u>	<u>Actual Number of Instructional Days Offered</u>	<u>Status</u>
<u>Community Collaborative Charter School (CCCS):</u>					
N/A - Nonclassroom based charter school					
<u>Community Outreach Academy (COA):</u>					
Kindergarten	36,000	51,120	175	180	In Compliance
Grade 1	50,400	51,780	175	180	In Compliance
Grade 2	50,400	53,580	175	180	In Compliance
Grade 3	50,400	53,580	175	180	In Compliance
Grade 4	54,000	54,060	175	180	In Compliance
Grade 5	54,000	54,060	175	180	In Compliance
Grade 6	54,000	57,660	175	180	In Compliance
Grade 7	54,000	57,660	175	180	In Compliance
Grade 8	54,000	57,660	175	180	In Compliance
<u>Futures High School (FHS):</u>					
Grade 9	64,800	65,370	175	180	In Compliance
Grade 10	64,800	65,370	175	180	In Compliance
Grade 11	64,800	65,370	175	180	In Compliance
Grade 12	64,800	65,370	175	180	In Compliance
<u>Sacramento Academic & Vocational Academy TRUSD (SAVA - TRUSD):</u>					
N/A - Nonclassroom based charter school					
<u>Sacramento Academic & Vocational Academy – SCUSD (SAVA – SCUSD):</u>					
N/A - Nonclassroom based charter school					
<u>Higher Learning Academy (HLA):</u>					
Kindergarten	36,000	56,400	175	180	In Compliance
Grade 1	50,400	56,400	175	180	In Compliance
Grade 2	50,400	56,400	175	180	In Compliance
Grade 3	50,400	56,400	175	180	In Compliance
Grade 4	54,000	58,500	175	180	In Compliance
Grade 5	54,000	58,500	175	180	In Compliance
Grade 6	54,000	57,860	175	180	In Compliance
Grade 7	54,000	57,860	175	180	In Compliance
Grade 8	54,000	57,860	175	180	In Compliance

GATEWAY COMMUNITY CHARTERS

SCHEDULE OF INSTRUCTIONAL TIME YEAR ENDED JUNE 30, 2025

	<u>Required Minutes</u>	<u>2024-2025 Minutes Offered</u>	<u>Required Number of Instructional Days</u>	<u>Actual Number of Instructional Days Offered</u>	<u>Status</u>
<u>Gateway International School (GIS):</u>					
Kindergarten	36,000	46,620	175	180	In Compliance
Grade 1	50,400	52,830	175	180	In Compliance
Grade 2	50,400	52,830	175	180	In Compliance
Grade 3	50,400	54,900	175	180	In Compliance
Grade 4	54,000	54,900	175	180	In Compliance
Grade 5	54,000	54,900	175	180	In Compliance
Grade 6	54,000	55,122	175	180	In Compliance
Grade 7	54,000	55,122	175	180	In Compliance
Grade 8	54,000	55,122	175	180	In Compliance
<u>Empowering Possibilities International Charter (EPIC):</u>					
Kindergarten	36,000	53,100	175	180	In Compliance
Grade 1	50,400	53,100	175	180	In Compliance
Grade 2	50,400	53,100	175	180	In Compliance
Grade 3	50,400	53,100	175	180	In Compliance
Grade 4	54,000	55,200	175	180	In Compliance
Grade 5	54,000	55,200	175	180	In Compliance
Grade 6	54,000	58,880	175	180	In Compliance
Grade 7	54,000	58,880	175	180	In Compliance
Grade 8	54,000	58,880	175	180	In Compliance

Sacramento Academic & Vocational Academy – EGUSD (SAVA – EGUSD):

N/A - Nonclassroom based charter school

GATEWAY COMMUNITY CHARTERS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass- Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
Passed Through CDE:			
Title I Grants to Local Education Agencies	84.010	14329	\$ 2,045,565
Title I Comprehensive Support and Improvement Funding for Local Educational Agencies	84.010	15438	<u>1,025,259</u>
Subtotal Title I			<u>3,070,824</u>
Title III, Limited English Teacher Quality Program	84.365	14346	365,253
Title III, Immigrant Education Program	84.365A	15146	<u>132,381</u>
Subtotal Title III			<u>657,481</u>
Title II, Part A, Supporting Effective Instruction	84.367	14341	216,989
Special Education Cluster (IDEA):			
IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	937,557
Special Ed – IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	<u>68,162</u>
Subtotal Special Education Cluster (IDEA)			<u>1,005,689</u>
Title IV, Part A, Student Support and Academic Enrichment Grant	84.424	15396	146,603
Total U.S. Department of Education			4,937,739
U.S. Department of Agriculture			
Passed Through CDE:			
Child Nutrition Cluster: National School Lunch Program	10.555	13523	<u>160,389</u>
Total Expenditures of Federal Awards			<u>\$ 5,098,128</u>

GATEWAY COMMUNITY CHARTERS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2025

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards of the Organization is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. INDIRECT COST RATE

The Organization allocates certain costs of administration and operations to programs based on Indirect Cost Rates approved by California Department of Education, specific to each of its charters. Accordingly, the Organization has elected not to use the 15-percent de minimis indirect cost rate allowed under the Uniform Guidance (April 2024 revision) or the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance (October 2023 revision).

GATEWAY COMMUNITY CHARTERS

COMBINING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2025

	CCCS	COA	FHS	SAVA - TRUSD	SAVA - SCUSD	HLA	GIS	EPIC	SAVA - EGUSD	Total
ASSETS										
CURRENT ASSETS:										
Cash and cash equivalents	\$ 6,331,832	\$ 24,455,605	\$ 11,132,435	\$ 3,528,410	\$ 6,872,865	\$ 8,918,145	\$ 3,711,039	\$ 6,283,058	\$ 5,701,659	\$ 76,935,048
Receivables	1,613,151	1,597,605	6,239,188	956,406	3,805,284	430,734	1,317,213	1,429,983	999,273	18,388,837
Prepaid expenses	66,370	191,833	54,159	22,775	72,702	50,583	61,181	42,244	35,494	597,341
Total current assets	<u>8,011,353</u>	<u>26,245,043</u>	<u>17,425,782</u>	<u>4,507,591</u>	<u>10,750,851</u>	<u>9,399,462</u>	<u>5,089,433</u>	<u>7,755,285</u>	<u>6,736,426</u>	<u>95,921,226</u>
INVESTMENTS	1,291,661	4,688,612	2,984,283	712,169		79,022				9,755,747
PROPERTY AND EQUIPMENT, NET	2,302,567	11,321,606	14,876,305	1,262,139	4,590,718	19,707,926	7,600,726	1,335,632	571,305	63,568,924
RIGHT-OF-USE ASSETS - OPERATING LEASES	562,862	12,002,796	273,842	1,507,636	8,459,682	497,781	483,444	517,429	2,286,244	26,591,716
DEPOSITS	<u>8,496</u>	<u>107,301</u>	<u>2,413</u>	<u>44,514</u>	<u>50,473</u>	<u>2,731</u>	<u>8,035</u>	<u>49,330</u>	<u>29,052</u>	<u>302,345</u>
TOTAL ASSETS	<u>\$ 12,176,939</u>	<u>\$ 54,365,358</u>	<u>\$ 35,562,625</u>	<u>\$ 8,034,049</u>	<u>\$ 23,851,724</u>	<u>\$ 29,686,922</u>	<u>\$ 13,181,638</u>	<u>\$ 9,657,676</u>	<u>\$ 9,623,027</u>	<u>\$ 196,139,958</u>
LIABILITIES AND NET ASSETS										
CURRENT LIABILITIES:										
Accounts payable	\$ 636,585	\$ 2,086,857	\$ 595,304	\$ 255,306	\$ 377,749	\$ 545,814	\$ 114,506	\$ 534,633	\$ 177,305	\$ 5,324,059
Due to other governments	3,141	12	3	2	4	3	28,815	580,617	2	612,599
Accrued expenses	466,496	1,228,085	323,592	170,301	485,919	325,303	397,594	259,407	249,196	3,905,893
Deferred revenue	62,604	72,326	43,058	235,961	358,802	221,371	39,315	39,056	45,704	1,118,197
Lease liabilities - operating leases, current	87,363	1,385,935	35,356	83,290	629,760	73,605	85,619	86,582	340,260	2,807,770
Debt, current			138,099			335,494				473,593
Total current liabilities	<u>1,256,189</u>	<u>4,773,215</u>	<u>1,135,412</u>	<u>744,860</u>	<u>1,852,234</u>	<u>1,501,590</u>	<u>665,849</u>	<u>1,500,295</u>	<u>812,467</u>	<u>14,242,111</u>
LEASE LIABILITIES - OPERATING LEASES, NET	500,558	11,123,115	253,480	1,482,818	8,314,612	442,586	420,895	457,976	2,035,747	25,031,787
DEBT, NET			<u>3,877,434</u>			<u>9,419,709</u>				<u>13,297,143</u>
TOTAL LIABILITIES	<u>1,756,747</u>	<u>15,896,330</u>	<u>5,266,326</u>	<u>2,227,678</u>	<u>10,166,846</u>	<u>11,363,885</u>	<u>1,086,744</u>	<u>1,958,271</u>	<u>2,848,214</u>	<u>52,571,041</u>
NET ASSETS:										
Net assets without donor restrictions:										
Undesignated	8,056,609	33,129,168	21,398,317	3,472,874	9,190,892	17,141,040	11,988,199	6,934,180	5,104,683	116,415,962
Board designated	750,000	2,000,000	1,500,000							4,250,000
Net assets without donor restrictions	8,806,609	35,129,168	22,898,317	3,472,874	9,190,892	17,141,040	11,988,199	6,934,180	5,104,683	120,665,962
Net assets with donor restrictions	1,613,583	3,339,860	7,397,982	2,333,497	4,493,986	1,181,997	106,695	765,225	1,670,130	22,902,955
Total net assets	<u>10,420,192</u>	<u>38,469,028</u>	<u>30,296,299</u>	<u>5,806,371</u>	<u>13,684,878</u>	<u>18,323,037</u>	<u>12,094,894</u>	<u>7,699,405</u>	<u>6,774,813</u>	<u>143,568,917</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,176,939</u>	<u>\$ 54,365,358</u>	<u>\$ 35,562,625</u>	<u>\$ 8,034,049</u>	<u>\$ 23,851,724</u>	<u>\$ 29,686,922</u>	<u>\$ 13,181,638</u>	<u>\$ 9,657,676</u>	<u>\$ 9,623,027</u>	<u>\$ 196,139,958</u>

GATEWAY COMMUNITY CHARTERS

COMBINING STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2025

	<u>CCCS</u>	<u>COA</u>	<u>FHS</u>	<u>SAVA - TRUSD</u>	<u>SAVA - SCUSD</u>	<u>HLA</u>	<u>GIS</u>	<u>EPIC</u>	<u>SAVA - EGUSD</u>	<u>Total</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS										
SUPPORT, REVENUE, AND GAINS:										
Federal revenue	\$ 734,081	\$ 1,304,239	\$ 358,780	\$ 447,340	\$ 720,578	\$ 333,695	\$ 348,248	\$ 472,096	\$ 439,635	\$ 5,158,692
State revenue:										
State aid portion of general purpose funding	6,471,556	18,087,945	5,156,311	2,173,138	8,393,665	4,735,262	6,818,565	4,947,422	4,044,390	60,828,254
All other state revenue	5,496,468	12,057,513	3,029,684	1,525,662	1,644,251	2,762,971	2,462,093	1,849,841	1,438,829	32,267,312
Local revenue										
Cash in-lieu property tax revenue	1,136,287	3,369,329	805,538	399,475	1,946,006	884,342	1,792,991	1,030,535	950,424	12,314,927
Investment and interest income	315,505	1,453,119	725,390	178,515	227,490	328,192	278,556	195,984	236,991	3,939,742
All other local revenue	115,533	313,843	34,150	36,699	196,994	52,508	48,188	23,936	35,650	857,501
Net assets released from restrictions	<u>608,542</u>	<u>3,635,845</u>	<u>824,136</u>	<u>378,615</u>	<u>621,113</u>	<u>1,530,116</u>	<u>658,258</u>	<u>1,368,626</u>	<u>430,512</u>	<u>10,055,763</u>
Total support, revenue, and gains	<u>14,877,972</u>	<u>40,221,833</u>	<u>10,933,989</u>	<u>5,139,444</u>	<u>13,750,097</u>	<u>10,627,086</u>	<u>12,406,899</u>	<u>9,888,440</u>	<u>7,576,431</u>	<u>125,422,191</u>
EXPENSES AND LOSSES:										
Program services: Educational programs	11,020,696	30,617,849	8,068,914	4,174,508	12,153,783	7,734,581	9,592,461	7,595,545	6,280,957	97,239,294
Support services: General and administrative	<u>1,787,733</u>	<u>6,386,120</u>	<u>1,519,535</u>	<u>971,450</u>	<u>1,998,509</u>	<u>1,639,430</u>	<u>1,554,495</u>	<u>1,050,737</u>	<u>908,524</u>	<u>17,816,533</u>
Total expenses	12,808,429	37,003,969	9,588,449	5,145,958	14,152,292	9,374,011	11,146,956	8,646,282	7,189,481	115,055,827
Loss on the disposal of property and equipment								61,047		61,047
Total expenses and losses	<u>12,808,429</u>	<u>37,003,969</u>	<u>9,588,449</u>	<u>5,145,958</u>	<u>14,152,292</u>	<u>9,374,011</u>	<u>11,146,956</u>	<u>8,707,329</u>	<u>7,189,481</u>	<u>115,116,874</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2,069,543</u>	<u>3,217,864</u>	<u>1,345,540</u>	<u>(6,514)</u>	<u>(402,195)</u>	<u>1,253,075</u>	<u>1,259,943</u>	<u>1,181,111</u>	<u>386,950</u>	<u>10,305,317</u>
NET ASSETS WITH DONOR RESTRICTIONS:										
State revenue	1,481,013	3,073,513	7,134,960	1,589,096	4,117,679	990,550	25,701	291,514	1,399,754	20,103,780
Other local revenue	32,022	76,720	17,956	14,360	41,527	29,044	30,926	7,011	16,646	266,212
Net assets released from restrictions	<u>(608,542)</u>	<u>(3,635,845)</u>	<u>(824,136)</u>	<u>(378,615)</u>	<u>(621,113)</u>	<u>(1,530,116)</u>	<u>(658,258)</u>	<u>(1,368,626)</u>	<u>(430,512)</u>	<u>(10,055,763)</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>904,493</u>	<u>(485,612)</u>	<u>6,328,780</u>	<u>1,224,841</u>	<u>3,538,093</u>	<u>(510,522)</u>	<u>(601,631)</u>	<u>(1,070,101)</u>	<u>985,888</u>	<u>10,314,229</u>
INCREASE IN NET ASSETS	2,974,036	2,732,252	7,674,320	1,218,327	3,135,898	742,553	658,312	111,010	1,372,838	20,619,546
NET ASSETS, Beginning of Year	<u>7,446,156</u>	<u>35,736,776</u>	<u>22,621,979</u>	<u>4,588,044</u>	<u>10,548,980</u>	<u>17,580,484</u>	<u>11,436,582</u>	<u>7,588,395</u>	<u>5,401,975</u>	<u>122,949,371</u>
NET ASSETS, End of Year	<u>\$ 10,420,192</u>	<u>\$ 38,469,028</u>	<u>\$ 30,296,299</u>	<u>\$ 5,806,371</u>	<u>\$ 13,684,878</u>	<u>\$ 18,323,037</u>	<u>\$ 12,094,894</u>	<u>\$ 7,699,405</u>	<u>\$ 6,774,813</u>	<u>\$ 143,568,917</u>

GATEWAY COMMUNITY CHARTERS

COMBINING STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2025

	CCCS		
	Educational Programs	General and Administrative	Total Expenses
Certificated salaries	\$ 5,304,568		\$ 5,304,568
Classified salaries	1,041,419	\$ 453,535	1,494,954
Employee benefits	2,446,482	212,934	2,659,416
Books and supplies	338,972	71,580	410,552
Subagreements for services	424,290	5,975	430,265
Travel and conferences	47,482	5,493	52,975
Dues and memberships	21,195	1,747	22,942
Insurance		82,286	82,286
Utilities, operations, and housekeeping services		127,732	127,732
Rental, leases, repairs, noncapitalized improvements	191,619	157,947	349,566
Professional services, advertising, audit fees, catering, health permits, and legal fees	633,014	213,082	846,096
Field trips	38,846		38,846
Licensing software and online services	289,167	46,126	335,293
Special education costs	29,448	275,167	304,615
Communications and postage	36,720	126,312	163,032
Depreciation and amortization	174,218	7,817	182,035
Interest	3,256		3,256
	<u>\$ 11,020,696</u>	<u>\$ 1,787,733</u>	<u>\$ 12,808,429</u>
Total			
	COA		
	Educational Programs	General and Administrative	Total Expenses
Certificated salaries	\$ 10,164,256		\$ 10,164,256
Classified salaries	4,879,333	\$ 1,730,773	6,610,106
Employee benefits	6,040,856	894,267	6,935,123
Books and supplies	3,033,417	412,166	3,445,583
Subagreements for services	1,796,811	5,975	1,802,786
Travel and conferences	95,203	15,445	110,648
Dues and memberships	45,485	4,576	50,061
Insurance		214,771	214,771
Utilities, operations, and housekeeping services		541,593	541,593
Rental, leases, repairs, noncapitalized improvements	1,618,097	1,083,092	2,701,189
Professional services, advertising, audit fees, catering, health permits, and legal fees	1,169,820	517,112	1,686,932
Field trips	152,047		152,047
Licensing software and online services	556,262	118,187	674,449
Special education costs	68,959	693,186	762,145
Communications and postage	108,733	136,132	244,865
Depreciation and amortization	879,785	18,845	898,630
Interest	8,785		8,785
	<u>\$ 30,617,849</u>	<u>\$ 6,386,120</u>	<u>\$ 37,003,969</u>
Total			

GATEWAY COMMUNITY CHARTERS

COMBINING STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2025

	FHS		
	Educational Programs	General and Administrative	Total Expenses
Certificated salaries	\$ 2,865,298		\$ 2,865,298
Classified salaries	1,032,997	\$ 410,315	1,443,312
Employee benefits	1,496,013	209,854	1,705,867
Books and supplies	481,792	96,663	578,455
Subagreements for services	673,509	57,600	731,109
Travel and conferences	39,761	3,896	43,657
Dues and memberships	14,771	1,196	15,967
Insurance		66,484	66,484
Utilities, operations, and housekeeping services		162,958	162,958
Rental, leases, repairs, noncapitalized improvements	22,064	135,080	157,144
Professional services, advertising, audit fees, catering, health permits, and legal fees	453,188	167,691	620,879
Field trips	63,975		63,975
Licensing software and online services	139,375	31,263	170,638
Special education costs	17,906	143,491	161,397
Communications and postage	13,747	19,960	33,707
Depreciation and amortization	669,791	13,084	682,875
Interest	84,727		84,727
Total	\$ 8,068,914	\$ 1,519,535	\$ 9,588,449
	SAVA - TRUSD		
	Educational Programs	General and Administrative	Total Expenses
Certificated salaries	\$ 2,043,199		\$ 2,043,199
Classified salaries	272,523	\$ 164,425	436,948
Employee benefits	865,271	80,590	945,861
Books and supplies	275,022	38,955	313,977
Subagreements for services	97,274	5,975	103,249
Travel and conferences	19,661	1,776	21,437
Dues and memberships	6,945	506	7,451
Insurance		19,119	19,119
Utilities, operations, and housekeeping services		97,229	97,229
Rental, leases, repairs, noncapitalized improvements	129,316	388,624	517,940
Professional services, advertising, audit fees, catering, health permits, and legal fees	240,550	69,048	309,598
Field trips	19,992		19,992
Licensing software and online services	14,308	12,972	27,280
Special education costs	8,097	66,439	74,536
Communications and postage	39,470	21,365	60,835
Depreciation and amortization	141,886	4,427	146,313
Interest	994		994
Total	\$ 4,174,508	\$ 971,450	\$ 5,145,958

GATEWAY COMMUNITY CHARTERS

COMBINING STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2025

	SAVA - SCUSD		
	Educational Programs	General and Administrative	Total Expenses
Certificated salaries	\$ 5,254,236		\$ 5,254,236
Classified salaries	1,076,943	\$ 457,693	1,534,636
Employee benefits	2,385,581	219,876	2,605,457
Books and supplies	728,141	107,819	835,960
Subagreements for services	269,829		269,829
Travel and conferences	51,707	5,583	57,290
Dues and memberships	31,663	1,758	33,421
Insurance		133,156	133,156
Utilities, operations, and housekeeping services		153,774	153,774
Rental, leases, repairs, noncapitalized improvements	1,104,735	355,439	1,460,174
Professional services, advertising, audit fees, catering, health permits, and legal fees	504,526	153,188	657,714
Field trips	41,261		41,261
Licensing software and online services	79,319	62,866	142,185
Special education costs	25,075	210,057	235,132
Communications and postage	184,897	101,915	286,812
Depreciation and amortization	412,571	35,385	447,956
Interest	3,299		3,299
	<u>\$ 12,153,783</u>	<u>\$ 1,998,509</u>	<u>\$ 14,152,292</u>
Total			
	HLA		
	Educational Programs	General and Administrative	Total Expenses
Certificated salaries	\$ 2,358,683		\$ 2,358,683
Classified salaries	977,093	\$ 459,171	1,436,264
Employee benefits	1,297,982	239,564	1,537,546
Books and supplies	383,724	133,304	517,028
Subagreements for services	727,633	5,975	733,608
Travel and conferences	27,878	4,286	32,164
Dues and memberships	16,001	1,353	17,354
Insurance		76,482	76,482
Utilities, operations, and housekeeping services		172,770	172,770
Rental, leases, repairs, noncapitalized improvements	66,900	105,131	172,031
Professional services, advertising, audit fees, catering, health permits, and legal fees	652,240	175,603	827,843
Field trips	21,909		21,909
Licensing software and online services	173,839	34,422	208,261
Special education costs	18,797	149,654	168,451
Communications and postage	16,618	54,446	71,064
Depreciation and amortization	802,007	27,269	829,276
Interest	193,277		193,277
	<u>\$ 7,734,581</u>	<u>\$ 1,639,430</u>	<u>\$ 9,374,011</u>
Total			

GATEWAY COMMUNITY CHARTERS

COMBINING STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2025

	GIS		
	Educational Programs	General and Administrative	Total Expenses
Certificated salaries	\$ 3,194,263		\$ 3,194,263
Classified salaries	1,776,822	\$ 495,034	2,271,856
Employee benefits	2,073,068	237,058	2,310,126
Books and supplies	373,626	109,699	483,325
Subagreements for services	664,003		664,003
Travel and conferences	39,029	4,920	43,949
Dues and memberships	16,414	1,505	17,919
Insurance		98,659	98,659
Utilities, operations, and housekeeping services		111,834	111,834
Rental, leases, repairs, noncapitalized improvements	504,772	75,391	580,163
Professional services, advertising, audit fees, catering, health permits, and legal fees	482,224	128,731	610,955
Field trips	51,215		51,215
Licensing software and online services	226,670	38,320	264,990
Special education costs	22,323	200,707	223,030
Communications and postage	25,648	52,278	77,926
Depreciation and amortization	139,503	359	139,862
Interest	2,881		2,881
Total	\$ 9,592,461	\$ 1,554,495	\$ 11,146,956

	EPIC		
	Educational Programs	General and Administrative	Total Expenses
Certificated salaries	\$ 2,253,201		\$ 2,253,201
Classified salaries	1,186,930	\$ 309,004	1,495,934
Employee benefits	1,478,534	152,199	1,630,733
Books and supplies	502,535	125,401	627,936
Subagreements for services	557,195		557,195
Travel and conferences	34,934	3,361	38,295
Dues and memberships	12,570	1,031	13,601
Insurance		64,889	64,889
Utilities, operations, and housekeeping services		79,314	79,314
Rental, leases, repairs, noncapitalized improvements	720,310	59,284	779,594
Professional services, advertising, audit fees, catering, health permits, and legal fees	488,812	90,781	579,593
Field trips	37,147		37,147
Licensing software and online services	123,063	27,429	150,492
Special education costs	15,107	103,103	118,210
Communications and postage	22,160	31,703	53,863
Depreciation and amortization	161,079	3,238	164,317
Interest	1,968		1,968
Total	\$ 7,595,545	\$ 1,050,737	\$ 8,646,282

GATEWAY COMMUNITY CHARTERS

COMBINING STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2025

	SAVA - EGUSD		
	Educational Programs	General and Administrative	Total Expenses
Certificated salaries	\$ 3,014,990		\$ 3,014,990
Classified salaries	504,436	\$ 260,113	764,549
Employee benefits	1,291,887	123,030	1,414,917
Books and supplies	334,850	42,164	377,014
Subagreements for services	183,527		183,527
Travel and conferences	24,621	3,075	27,696
Dues and memberships	11,592	935	12,527
Insurance		70,147	70,147
Utilities, operations, and housekeeping services		41,341	41,341
Rental, leases, repairs, noncapitalized improvements	378,723	142,970	521,693
Professional services, advertising, audit fees, catering, health permits, and legal fees	310,769	70,017	380,786
Field trips	44,710		44,710
Licensing software and online services	25,074	24,278	49,352
Special education costs	13,464	81,727	95,191
Communications and postage	61,138	46,759	107,897
Depreciation and amortization	79,419	1,968	81,387
Interest	1,757		1,757
Total	\$ 6,280,957	\$ 908,524	\$ 7,189,481
	Total		
	Educational Programs	General and Administrative	Total Expenses
Certificated salaries	\$ 36,452,694		\$ 36,452,694
Classified salaries	12,748,496	\$ 4,740,063	17,488,559
Employee benefits	19,375,674	2,369,372	21,745,046
Books and supplies	6,452,079	1,137,751	7,589,830
Subagreements for services	5,394,071	81,500	5,475,571
Travel and conferences	380,276	47,835	428,111
Dues and memberships	176,636	14,607	191,243
Insurance		825,993	825,993
Utilities, operations, and housekeeping services		1,488,545	1,488,545
Rental, leases, repairs, noncapitalized improvements	4,736,536	2,502,958	7,239,494
Professional services, advertising, audit fees, catering, health permits, and legal fees	4,935,143	1,585,253	6,520,396
Field trips	471,102		471,102
Licensing software and online services	1,627,077	395,863	2,022,940
Special education costs	219,176	1,923,531	2,142,707
Communications and postage	509,131	590,870	1,100,001
Depreciation and amortization	3,460,259	112,392	3,572,651
Interest	300,944		300,944
Total	\$ 97,239,294	\$ 17,816,533	\$ 115,055,827

GATEWAY COMMUNITY CHARTERS

SUPPLEMENTAL RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS BY CHARTER SCHOOL YEAR ENDED JUNE 30, 2025

	<u>CCCS</u>	<u>COA</u>	<u>FHS</u>	<u>SAVA - TRUSD</u>	<u>SAVA- SCUSD</u>	<u>HLA</u>	<u>GIS</u>	<u>EPIC</u>	<u>SAVA- EGUSD</u>
June 30, 2025 Annual Financial and Budget Report Fund Balance (Net Assets) - General Fund	\$ 8,142,684	\$ 27,653,676	\$ 19,450,521	\$ 4,602,704	\$ 9,578,850	\$ 8,388,724	\$ 4,517,238	\$ 6,390,902	\$ 6,293,271
June 30, 2025 Annual Financial and Budget Report Fund Balance (Net Assets) - County School Facilities Fund									
Adjustments and Reclassifications:									
Increasing (Decreasing) the Net Assets:									
Cash and cash equivalents									
Investments									
Accounts receivable									
Deposits and prepaid									
Property and equipment	2,302,567	11,321,606	14,876,305	1,262,139	4,590,718	19,707,926	7,600,726	1,335,632	571,305
Right-of-use assets - operating leases	562,862	12,002,796	273,842	1,507,636	8,459,682	497,781	483,444	517,429	2,286,244
Accounts payable									
Due to other governments									
Right-of-use liability - operating leases	(587,921)	(12,509,050)	(288,836)	(1,566,108)	(8,944,372)	(516,191)	(506,514)	(544,558)	(2,376,007)
Debt			(4,015,533)			(9,755,203)			
Net Adjustments and Reclassifications	<u>2,277,508</u>	<u>10,815,352</u>	<u>10,845,778</u>	<u>1,203,667</u>	<u>4,106,028</u>	<u>9,934,313</u>	<u>7,577,656</u>	<u>1,308,503</u>	<u>481,542</u>
June 30, 2025 Audited Financial Statement Net Assets	<u>\$ 10,420,192</u>	<u>\$ 38,469,028</u>	<u>\$ 30,296,299</u>	<u>\$ 5,806,371</u>	<u>\$ 13,684,878</u>	<u>\$ 18,323,037</u>	<u>\$ 12,094,894</u>	<u>\$ 7,699,405</u>	<u>\$ 6,774,813</u>

OTHER INFORMATION

GATEWAY COMMUNITY CHARTERS

ORGANIZATION, GOVERNING BOARD, AND ADMINISTRATION YEAR ENDED JUNE 30, 2025

ORGANIZATION

Gateway Community Charters (the Organization) is a tax exempt non-profit, public-benefit corporation that was established in 2003. The Organization governs nine charter schools as follows:

Community Collaborative Charter School (CCCS) - Charter Number: 0699
Established July 2005, expires June 2030
Authorizer: Twin Rivers Unified School District

Community Outreach Academy (COA) - Charter Number: 0561
Established September 2003, expires June 2030
Authorizer: Twin Rivers Unified School District

Futures High School (FHS) - Charter Number: 0560
Established July 2004, expires June 2030
Authorizer: Twin Rivers Unified School District

Sacramento Academic & Vocational Academy (SAVA) - Charter Number: 0878
Established March 2007, expires June 2030
Authorizer: Twin Rivers Unified School District

Sacramento Academic & Vocational Academy - SCUSD (SAVA - SCUSD) - Charter Number: 1948
Established July 2018, expires June 2026
Authorizer: Sacramento City Unified School District

Higher Learning Academy (HLA) - Charter Number: 0862
Established July 2007, expires June 2030
Authorizer: Twin Rivers Unified School District

Gateway International School (GIS) - Charter Number: 1563
Established July 2013, expires June 2027
Authorizer: San Juan Unified School District

Empowering Possibilities International Charter School (EPIC) - Charter Number: 1746
Established July 2015, expires June 2028
Authorizer: Yolo County Office of Education

Sacramento Academic & Vocational Academy - EGUSD (SAVA - EGUSD) - Charter Number: 1949
Established July 2018, expires June 2026
Authorizer: Elk Grove Unified School District

2021-2022 Education Trailer Bill AB 130 Sec 58 established a new Education Code Section 47607.7, in which all charter schools whose term expires on or between January 1, 2022 and June 2026 shall have their term automatically extended by two years. An additional one-year extension was given for schools by operation of law (Education Code Section 47607.4 amended by SB 114).

GATEWAY COMMUNITY CHARTERS

ORGANIZATION, GOVERNING BOARD, AND ADMINISTRATION YEAR ENDED JUNE 30, 2025

BOARD OF DIRECTORS

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Lillie Campbell	President	June 30, 2029
Bruce Mangerich	Vice President	June 30, 2026
Mark Anderson	Treasurer	June 30, 2026
Jack Turner	Director	June 30, 2029
Harry Block	Secretary	June 30, 2029

ADMINISTRATION

Superintendent/Chief Executive Officer
Jason Sample

Chief Business Official
Omaira Reyna

Assistant Superintendent
Morri Elliot
Joi Tokoi

Chief Learning Officer
Dr. Heather Gold

OTHER INDEPENDENT AUDITOR'S REPORTS

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

**To the Board of Directors
Gateway Community Charters
McClellan, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Gateway Community Charters, a California non-profit public benefit corporation (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002.

The Organization's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

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



**GILBERT CPAs
Sacramento, California**

December 15, 2025

INDEPENDENT AUDITOR’S REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

**To the Board of Directors
Gateway Community Charters
McClellan, California**

Report on State Compliance

Qualified and Unmodified Opinions

We have audited Gateway Community Charters, a California non-profit public benefit corporation (the Organization) compliance with the types of compliance requirements identified as subject to audit in the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel identified in the schedule below for the year ended June 30, 2025.

Qualified Opinion on Proper Expenditure of Education Protection Account Funds and Immunizations

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each applicable state program for the year ended June 30, 2025.

Unmodified Opinion on Each of the Other State Programs

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the compliance applicable to the Organization’s programs identified in the below schedule for the school year ended June 30, 2025.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Our responsibilities under those standards, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each applicable state program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Proper Expenditure of Education Protection Account Funds

As described in the accompanying schedule of findings and questioned costs, the Organization did not comply with requirements regarding Proper Expenditure of Education Protection Account Funds as described in finding number 2025-001.

Compliance with such requirements is necessary, in our opinion, for the Organization to comply with the requirements applicable to that program.

Matter Giving Rise to Qualified Opinion on Immunizations

As described in the accompanying schedule of findings and questioned costs, the Organization did not comply with requirements regarding Immunizations as described in finding number 2025-002.

Compliance with such requirements is necessary, in our opinion, for the Organization to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of State Compliance as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtained an understanding of the Organization’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, but not for the purpose of expressing an opinion of effectiveness of the Organization’s internal control over compliance. Accordingly, no such opinion is expressed.

In connection with the requirements referred to above, we selected and tested transactions and records to determine the Organization’s compliance with the applicable programs identified below:

Compliance Requirements	Procedures Performed
SCHOOL DISTRICTS, COUNTY OFFICE OF EDUCATION, AND CHARTER SCHOOLS	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunity Grant (ELO-G)	Not Applicable
Career Technical Education Incentive Grant	Yes
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Kindergarten Continuance	Yes
CHARTER SCHOOLS	
Attendance	Yes
Mode of Instruction	Yes
Non-Classroom-Based Instruction/Independent Study	Yes
Determination of Funding for Non-Classroom-Based Instruction	Yes
Annual Instructional Minutes – Classroom Based	Yes
Charter School Facility Grant Program	Yes

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization’s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization’s responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the *2024-25 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.



**GILBERT CPAs
Sacramento, California**

December 15, 2025

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**To the Board of Directors
Gateway Community Charters
McClellan, California**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gateway Community Charter’s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs for the year ended June 30, 2025. The Organization’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant

deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**GILBERT CPAs
Sacramento, California**

December 15, 2025

FINDINGS AND QUESTIONED COSTS

GATEWAY COMMUNITY CHARTERS

FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2025

SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

State Awards

Internal control over state programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for state programs: Modified

Any audit findings disclosed that are required to be reported in accordance with Audits of California K-12 Local Education Agencies? Yes None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? Yes No

Identification of major programs:

Name of Federal Program or Cluster Assistance Listing Number

Title I Grants to Local Education Agencies 84.010

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

GATEWAY COMMUNITY CHARTERS

FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2025.

FEDERAL COMPLIANCE FINDINGS

There were no federal compliance findings for the year ended June 30, 2025.

STATE COMPLIANCE FINDINGS

2025-001. Proper Expenditure of Education Protection Account Funds – CDDC #40000

Criteria:

Article XIII, Section 36 of the California Constitution requires that Education Protection Account (EPA) funds be used solely for instructional purposes. Administrative costs are not allowable.

Condition:

During our testing of EPA expenditures at Community Outreach Academy (COA), we noted \$6,502 in administrative costs that had been charged to the EPA resource. These costs are not allowable under EPA spending requirements. After this was identified during the audit, management posted a correcting entry to remove the administrative costs from EPA and reclassify other allowable instructional expenditures to the EPA resource.

Cause:

The exception appears to be due to an oversight in reviewing expenditures charged to the EPA resource and a failure to verify allowability prior to charging costs to EPA.

Effect:

Administrative costs totaling \$6,502 were charged to EPA, resulting in noncompliance with EPA spending restrictions. The Organization posted a correcting entry during the audit to remove these unallowable expenditures and replace them with allowable instructional costs; therefore, no questioned cost or fiscal penalty is required.

Recommendation:

We recommend that the Organization strengthen its expenditure coding and review procedures to ensure that only allowable instructional costs are charged to EPA in the future.

Management's Response:

The Organization acknowledges the audit finding and concurs that administrative expenditures totaling \$6,502 were inadvertently charged to the Education Protection Account (EPA) resource. Once identified during the audit, management promptly prepared and posted a correcting journal entry to remove the unallowable costs and reclassify appropriate instructional expenditures to the EPA resource. Management appreciates the auditor's feedback and is committed to ensuring full compliance with EPA spending requirements.

GATEWAY COMMUNITY CHARTERS

FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2025

Corrective Action Plan:

To prevent similar issues from occurring in the future, the Organization is implementing the following corrective actions:

- 1. Revised Coding Procedures:**
All account codes associated with the EPA resource will be updated to limit charges to allowable instructional salary and benefit expenditures only. Administrative codes will be blocked from use with EPA.
- 2. Enhanced Pre-Posting Review:**
The Business Services team will implement an additional layer of review for all expenditures charged to EPA. This will include verifying the instructional nature of each cost prior to posting.
- 3. Staff Training:**
Fiscal and HR/payroll staff responsible for coding and approving expenditures will receive annual training on EPA allowability requirements, including examples of allowable and unallowable costs.
- 4. Ongoing Monitoring:**
A quarterly internal review of EPA charges will be conducted by the Director of Business Services to ensure ongoing compliance. Any miscoded items identified will be corrected promptly.

2025-002. Immunizations – CDDC #40000

Criteria:

California Code of Regulations, Title 17, Section 6025 requires that a student may be unconditionally admitted only when documentation is provided showing completion of all required immunizations for the student's age or grade level, or a valid medical exemption in accordance with Section 6051.

ADA shall not be claimed for any student who is improperly admitted or allowed to attend without meeting immunization requirements.

Condition:

During our testing of immunizations, we found 1 one instance in which a student was credited with attendance even though the student had not met the immunization documentation requirements in accordance with California Code of Regulations, Title 17, Section 6025. The error was noted in 1 of 32 students tested at Community Outreach Academy (COA). This finding is a repeat of finding 2024-002.

Cause:

The Organization did not have sufficient procedures in place to ensure the compliance of immunization requirements.

Effect/Questioned Cost:

The estimated impact of the error results in a disallowance of 0.90 ADA.

GATEWAY COMMUNITY CHARTERS

FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2025

The estimated penalty is as follows:

COA

<u>Grade Span</u>	<u>ADA Disallowed</u>	<u>Derived Value of ADA by Grade Span</u>	<u>Penalty</u>
Grades TK through K	0.90	\$ 15,715.18	\$ 14,143.66

Recommendation:

The Organization should obtain current immunization records for all students and ensure that they have obtained their required vaccines or filed an exemption statement within the required time frame. The attendance on or after the 4th calendar month and 10th school day for any students that did not have their required vaccines, or an exemption statement should not be claimed until the student has obtained their vaccination or filed an exemption statement.

Corrective Action Plan/Management's Response:

Audit of Schools

The Gateway Community Charters (GCC) nursing team conducts ongoing immunization audits for all schools, focusing on Transitional Kindergarten, Kindergarten, 1st, 7th, and 8th grade students. Families of students who are not in compliance receive notices outlining the required immunizations and the potential exclusion date if documentation is not provided. Students who remain non-compliant past their exclusion date are, in accordance with state law, excluded from school until the necessary immunizations are received. To support consistent practices across sites, the process for tracking compliance, issuing exclusions, and coding related data will be reviewed with administrators in January 2026.

Training

In February 2026, GCC enrollment staff and registrars will participate in a training on state immunization requirements and the procedures for ensuring students meet the requirements for school attendance. The training will be facilitated by the Student Services Department, a GCC nurse, and a representative from the Data and Accountability team. Topics will include admissions procedures, proper coding of exclusions in the student information system (SIS), and effective practices for immunization tracking and monitoring.

Admissions Procedures

Students will be admitted to school once documentation is provided showing they have received all required immunizations or have a valid permanent medical exemption. Conditional admission may be granted if a student has received some, but not all, required immunizations and is not currently due for any additional doses, or if a temporary medical exemption is documented. Continued attendance under conditional admission depends on receiving the remaining required immunizations as they become due. School site enrollment staff and registrars are responsible for entering all newly admitted students into the student information system (SIS).

GATEWAY COMMUNITY CHARTERS

FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2025

Preventative Measures

The GCC health clerk will be responsible for monitoring all student immunizations, including those under conditional admission. This role includes running regular reports, reviewing updates in the CARE platform, and tracking students who are due or approaching due date for required immunizations. The health clerk will communicate with site administrators, enrollment staff, registrars, and families regarding immunization requirements and upcoming deadlines. Communication with families will occur by phone and written notice sent by mail. Families will have 10 days after the immunization due date to submit verification.

Tracking and Monitoring

The SIS will be used to track and monitor all student immunization information. With each bi-monthly report, the health clerk will document notes in the SIS regarding upcoming due dates and any potential exclusions. Site administrators and enrollment staff/registrar will receive notifications from the health clerk and are responsible for following up with families. Site administrators are also responsible for excluding any students who are more than 10 days past their immunization due date.

Attendance Documentation

When a student is excluded from school due to missing immunizations, the site registrar will ensure the student's attendance is coded accurately in the SIS. Site administrators are responsible for verifying that all excluded students are properly coded in the system.

GATEWAY COMMUNITY CHARTERS

FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2025

STATUS OF PRIOR YEAR FINDINGS

FINANCIAL STATEMENTS

There were no financial statement findings for the year ended June 30, 2024.

FEDERAL COMPLIANCE

There were no federal compliance findings for the year ended June 30, 2024.

GATEWAY COMMUNITY CHARTERS

FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2025

STATE COMPLIANCE

<u>Finding & Recommendation</u>	<u>Current Status</u>	<u>Organization Explanation If Not Implemented</u>
<p>2024-001. Attendance Reporting – CDDC#10000</p> <p>One school selected as part of the testing sample had errors in reporting for attendance. At Community Collaborative Charter School (CCCS) attendance was improperly reported at 100% for the second period of reporting, resulting in an overstatement of 13.73 ADA.</p> <p>The Organization should ensure procedures are in place at the school sites to review and ensure attendance reports are accurate.</p>	<p>Implemented. No similar items of noncompliance were noted in the 2025 audit.</p>	<p>Not Applicable</p>
<p>2024-002. Immunizations – CDDC #40000</p> <p>During our testing of immunizations, we found 1 instance where a student was credited with attendance prior to verification of documentation in accordance with <i>California Code of Regulations</i>, Title 17, Section 6025. The error was noted in 1 of 12 students tested at Gateway International School (GIS).</p> <p>The Organization should obtain current immunization records for all students and ensure that they have obtained their required vaccines or filed an exemption statement within the required time frame. The attendance on or after the 4th calendar month and 10th school day for any students that did not have their required vaccines, or an exemption statement should not be claimed until the student has obtained their vaccination or filed an exemption statement.</p>	<p>Not implemented. See repeat finding at 2025-002.</p>	<p>We appreciate the auditors’ feedback regarding the repeat findings on immunization compliance. While we launched several improvements in 2024–25, we understand that these changes were not applied consistently across all campuses. After reviewing what contributed to this, we’re taking steps to support our staff more effectively and strengthen our follow-through. A training is scheduled for all enrollment staff in February to address immunization inconsistency and require consistent processes across all GCC schools. We are fully committed to creating a reliable, sustainable process that keeps our schools in compliance with state immunization requirements and supports the health and safety of our students.</p>