PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2024

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Palmetto Charter School, Inc.
Palmetto, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Palmetto Charter School, Inc. (the "Charter School") (a Charter School and component unit of the School District of Manatee County, Florida), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Charter School as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2024 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.

Christopher, Smith,
Leonard & Stanell, P.A.

CHRISTOPHER, SMITH,
LEONARD & STANELL, P.A.

September 6, 2024
Bradenton, Florida

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

The Management Discussion and Analysis (MD&A) section of the annual financial statements of Palmetto Charter School, Inc. (the "Charter School") provides an overview and analysis of the financial activities of the Charter School for the fiscal year ended June 30, 2024.

Readers should review this MD&A in addition to the financial statements and the accompanying notes to the financial statements to gain an understanding of the Charter School as an operating entity.

Financial Highlights

- For the fiscal year ended June 30, 2024, the Charter School reported a decrease in net position as shown on the Charter School's statement of activities by $82,386.
- As shown on the statement of net position, the Charter School reported positive unrestricted net position of $429,863.
- Fund balance as of June 30, 2024 in the General Fund increased by $246,347 over the prior fiscal year.
- Unassigned fund balance as of June 30, 2024 was $1,873,646.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Charter School's financial statements. The Charter School's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the Charter School's overall financial condition in a manner similar to a private-sector business.

The statements include a statement of net position and a statement of activities that are designed to provide financial information about the governmental activities of the Charter School presented on the accrual basis of accounting. The statement of net position presents information on all of the assets, deferred outflows, liabilities and deferred inflows as of June 30, 2024. Net position is $2,448,278 and is the difference between total assets plus deferred outflows less total liabilities and deferred inflows. Over time, the increase or decrease in net position may serve as a useful indicator of whether the financial position of the Charter School is improving or deteriorating. However, to assess the overall financial position of the Charter School, one needs to consider additional non-financial factors such as changes in the Charter School student base funding level.

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

Condensed Statement of Net Position

	Governmental Activities		
	2024	2023	Change
Current and other assets	$ 2,347,367	$ 1,990,871	$ 356,496
Capital assets	8,779,684	8,849,440	(69,756)
Total assets	11,127,051	10,840,311	286,740
Deferred Outflows	918,220	705,201	213,019
Current liabilities	362,249	262,335	99,914
Noncurrent liabilities	9,136,392	8,638,999	497,393
Total liabilities	9,498,641	8,901,334	597,307
Deferred Inflows	98,352	113,514	(15,162)
Net Position:			
Net investment in capital assets	2,018,415	1,913,707	104,708
Unrestricted	429,863	616,957	(187,094)
Total net position	$ 2,448,278	$ 2,530,664	$ (82,386)

During the year ended June 30, 2024, the Charter School's total assets increased due to additional cash from operations. Additionally, liabilities increased due to changes in the Charter School's proportion of the net pension liability related to the Florida Retirement System.

The statement of activities presents information about the change in the Charter School's net position and the results of operations during the school year. Net position decreased by $82,386 during the current year. As noted in the condensed statement of activities on page 6, revenues decreased during the year by $128,089 over the prior year due to grant and contribution activity. Expenses increased $953,104 over the prior year. The increase in expenses are largely a result of changes in the Charter School's proportion of pension activity and personnel costs.

The largest revenue source for the Charter School is the State of Florida. Revenues from State sources for current operations are primarily received through the FEFP funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the Charter School. The largest concentration of expenses was for instruction, which represents 64% of total expenditures.

The following is a summary of the Charter School's current year and prior year statement of activities.

Condensed Statement of Activities

	Governmental Activities		
	2024	2023	Change
Revenues			
Program revenues:			
Charges for services	$ 133,490	$ 123,806	$ 9,684
Capital grants and contributions	363,144	225,193	137,951
Total program revenues	496,634	348,999	147,635
General revenues:			
Grants and contributions not restricted to specific programs	4,687,548	5,033,754	(346,206)
Investment income (loss)	87,366	16,582	70,784
Loss on disposal of capital assets	(302)	-	(302)
Total general revenues	4,774,612	5,050,336	(275,724)
Total revenues	5,271,246	5,399,335	(128,089)
Expenses			
Instruction	3,428,368	2,696,821	731,547
Staff development	121,884	158,715	(36,831)
School administration	960,793	824,973	135,820
Operation and maintenance of plant	338,500	240,129	98,371
Other programs and services	242,678	231,001	11,677
Interest expense	261,409	248,889	12,520
Total expenses	5,353,632	4,400,528	953,104
Increase in Net Position	(82,386)	998,807	(1,081,193)
Net Position - Beginning, as originally stat	2,530,664	1,531,857	998,807
Prior period adjustments	-	-	-
Net Position - Beginning, as restated	2,530,664	1,531,857	998,807
Net Position - Ending	$ 2,448,278	$ 2,530,664	$ (82,386)

The government-wide financial statements can be found on pages 9 and 10 of the financial statements.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School, like other state and local government component units, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund type in the Charter School's financial statements are governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Charter School's near term financing requirements.

The governmental fund financial statements provide a detailed short-term view that may be used to evaluate the Charter School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements.

To facilitate this comparison, both the governmental fund's balance sheet and the governmental fund's statement of revenues, expenditures and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

The Charter School operates three funds: a General Fund, a Capital Projects Fund and a Debt Service Fund. The Charter School has elected to show each fund as a major fund.

The governmental funds financial statements, along with reconciliations to the government-wide financial statements can be found on pages 11 through 14 of this report.

The Charter School had a fund balance of $1,896,687 in the General Fund as of June 30, 2024. Fund balance in the General Fund increased by $246,347.

The Charter School's Capital Projects Fund tracks revenues and expenditures related to capital assets. For the year ended June 30, 2024, the Charter School had total capital outlay expenditures of $327,112 which was largely due to campus construction renovations.

The Charter School's Debt Service Fund tracks proceeds from long-term debt, as well as payments for principal and interest. For the year ended June 30, 2024, the Charter School paid $435,873 in principal and interest payments.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on beginning on page 15 of this report.

General Fund Budget

The Charter School adopts an annual budget for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund to demonstrate compliance with the budget.

The general fund budget for the fiscal year ended June 30, 2024, was developed based on the Charter School's anticipated revenues and expenditures and the expected student population for the school year. The Board closely monitors the Charter School's financial performance relative to the tentative budget on a monthly basis. The Board made formal budget amendments to approve changes as they monitored the bottom line for the overall financial effect on the Charter School.

Original budgeted revenues were $4,402,770 compared to final budgeted revenues of $4,832,947. Original budgeted expenditures were $3,829,183 compared to final budgeted expenditures of $4,310,508. Amendments were due to changes in enrollment. At year-end, actual revenues were greater than budget by $65,222 and actual expenditures were less than budget by $58,527.

A schedule of revenues, expenditures and changes in fund balance comparing the budget to actual results for the General Fund is on page 31 of the financial statements.

Capital Assets

Below is a schedule of capital assets net of accumulated depreciation as of June 30, 2024 and 2023.

	Governmental Activities		
	2024	2023	Change
Land	$ 400,000	$ 400,000	$ -
Construction in progress	260,260	-	260,260
Building	7,679,629	7,939,851	(260,222)
Computers and software	167,801	200,290	(32,489)
Furniture, fixtures and equipment	217,056	223,291	(6,235)
Leasehold improvements	27,586	35,578	(7,992)
Vehicles	27,352	50,430	(23,078)
Total (net of depreciation)	$ 8,779,684	$ 8,849,440	$ (69,756)

See Note 3 to the financial statements for additional detail of the capital asset activity for the year.

Debt Administration

The Charter School entered into a note for campus construction renovations which also refinanced their mortgage note. Total notes payable had a decreased by $174,464 due to principal payments.

The Charter School has recognized its proportionate share of the FRS and HIS net pension liability in accordance with GASB Statement No. 68. At June 30, 2024 and 2023, the net pension liability recognized by the Charter School was $2,375,123 and $1,703,266

See Note 4 to the financial statements for more details on long-term liabilities.

Economic Factors and Student Achievement

The Board has approved an operating budget for the 2024-2025 academic year. The budget demonstrates that the Charter School will have a budgeted surplus from operations of approximately $370,000 for the General Fund.

Requests for Information

The financial report is designed to provide a general overview of the Palmetto Charter School, Inc.'s finances for those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Palmetto Charter School, Inc., 1601 17th Street West, Palmetto, Florida 34221.

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
JUNE 30, 2024

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current assets	
Cash and cash equivalents	$ 2,107,207
Investments	125,299
Accounts receivable	91,820
Prepaid expenses	21,851
Deposits	1,190
Total current assets	2,347,367
Noncurrent assets	
Capital assets, net of accumulated depreciation	8,779,684
TOTAL ASSETS	11,127,051
DEFERRED OUTFLOWS OF RESOURCES - Pension	918,220
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	362,249
Total current liabilities	362,249
Noncurrent liabilities	
Due within one year	185,659
Due in more than one year	8,950,733
Total noncurrent liabilities	9,136,392
TOTAL LIABILITIES	9,498,641
DEFERRED INFLOWS OF RESOURCES - Pension	98,352
Net position	
Net investment in capital assets	2,018,415
Unrestricted	429,863
TOTAL NET POSITION	$ 2,448,278

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

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Expenses	Program Revenues			Net (Expense) Revenue and Change In Net Position Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	$ 3,428,368	$ -	$ -	$ -	$ (3,428,368)
Staff development	121,884	-	-	-	(121,884)
School administration	960,793	-	-	-	(960,793)
Operation and maintenance of plant	338,500	-	-	363,144	24,644
Other programs and services	242,678	133,490	-	-	(109,188)
Interest expense	261,409	-	-	-	(261,409)
Total Governmental Activities	5,353,632	133,490	-	363,144	(4,856,998)

General Revenues:	
Grants and contributions not restricted to specific programs	4,687,548
Investment income (loss)	87,366
Loss on disposal of capital assets	(302)
Total General Revenue	4,774,612
Change in net position	(82,386)
Net Position - Beginning of year	2,530,664
Net Position - End of year	**$ 2,448,278**

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

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,107,207	$ -	$ -	$ 2,107,207
Investments	125,299	-	-	125,299
Accounts receivable	91,820	-	-	91,820
Prepaid items	21,851	-	-	21,851
Deposits	1,190	-	-	1,190
TOTAL ASSETS	**$ 2,347,367**	**$ -**	**$ -**	**$ 2,347,367**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	$ 362,249	$ -	$ -	$ 362,249
TOTAL LIABILITIES	362,249	-	-	362,249
Deferred inflows of resources:				
Unavailable revenue	88,431	-	-	88,431
Fund Balances:				
Non-spendable:				
Prepaid items	21,851	-	-	21,851
Deposits	1,190	-	-	1,190
Unassigned	1,873,646	-	-	1,873,646
TOTAL FUND BALANCES	1,896,687	-	-	1,896,687
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$ 2,347,367**	**$ -**	**$ -**	**$ 2,347,367**

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

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Fund Balance - Governmental Funds		$ 1,896,687
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		8,779,684
Deferred outflows of resources related to pension are not recognized in the governmental funds; however, they are reported in the statement of net position		918,220
Deferred inflows of resources related to pension are not recognized in the governmental funds; however, they are reported in the statement of net position		(98,352)
Transactions recorded as revenues in the statement of activities, but did not meet the availability criteria under the modified accrual basis of accounting, and therefore are considered to be unavailable revenue until available in the fund statements		88,431
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Net pension liability	(2,375,123)	
Note payable	(6,761,269)	
		(9,136,392)
NET POSITION OF GOVERNMENTAL ACTIVITIES		**$ 2,448,278**

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

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Federal, state and local sources	$ 4,561,401	$ 363,144	$ -	$ 4,924,545
Contributions and fundraising	115,912	-	-	115,912
Investment income (loss)	87,366	-	-	87,366
Other	133,490	-	-	133,490
Total Revenues	4,898,169	363,144	-	5,261,313
EXPENDITURES				
Current:				
Instruction	2,768,594	-	-	2,768,594
Staff development	105,235	-	-	105,235
School administration	856,459	-	-	856,459
Operation and maintenance of plant	279,015	-	-	279,015
Other programs and services	242,678	-	-	242,678
Capital outlay	-	327,112	-	327,112
Debt service:				
Interest and fiscal charges	-	-	261,409	261,409
Principal payments	-	-	174,464	174,464
Total Expenditures	4,251,981	327,112	435,873	5,014,966
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	646,188	36,032	(435,873)	246,347
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(399,841)	(36,032)	435,873	-
Total Other Financing	(399,841)	(36,032)	435,873	-
NET CHANGE IN FUND BALANCES	246,347	-	-	246,347
FUND BALANCE - Beginning of year	1,650,340	-	-	1,650,340
FUND BALANCE - End of year	**$ 1,896,687**	**$ -**	**$ -**	**$ 1,896,687**

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

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balance - statement of revenues, expenditures and changes in fund balance - Governmental Funds		$ 246,347
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions were exceeded by loss on disposal of capital assets and depreciation expense in the current period.		
Capital additions	327,112	
Loss on disposal of capital assets	(302)	
Less current depreciation	(396,566)	
		(69,756)
Revenues in the statement of activities that do not provide current financial resources as they do not meet the availability criteria and are not reported as revenues in the funds. This amount represents the change in unavailable revenue.		10,235
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal payments on long-term debt		174,464
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Increase (decrease) in deferred outflows	213,019	
(Increase) decrease in deferred inflows	15,162	
(Increase) decrease in net pension liability	(671,857)	
		(443,676)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		**$ (82,386)**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Palmetto Charter School, Inc. (the "Charter School") is part of the Florida system of public education under the general direction of the State Department of Education. The Charter School was organized as a not-for-profit corporation pursuant to Chapter 617, Florida Statutes, Florida Not for Profit Corporation Act, and Section 228.056, Florida Statutes. The Charter School operates under a charter approved by their sponsor, the School District of Manatee County, Florida, (the "School Board"). The School Board approved the charter effective July I, 2010 through June 30, 2015. The School Board approved an extension period effective July 1, 2015 through June 30, 2025. The Charter School is a Florida not-for-profit organization that is exempt from state and federal income taxes under Internal Revenue Code Section 50I(c)3.

The Florida Department of Education (the "Department") has concluded that Florida charter schools are component units of the sponsoring school board. To facilitate accounting and reporting to school boards, charter schools are encouraged to use the governmental reporting model and follow the fund and account structure provided in the *Financial and Program Cost Accounting and Reporting for Florida Schools* manual issued by the Department. The Charter School is required by contract with the School Board to use the governmental reporting model and the Department's accounting and reporting manual.

The accompanying financial statements present the financial position and results of operations of the applicable funds controlled by or dependent upon the Charter School. In evaluating the Charter School as a reporting entity, management has addressed all potential component units for which the Charter School may or may not be financially accountable and, as such, are included in the Charter School's accompanying financial statements. No component units exist which would require inclusion in the Charter School's financial statements.

Basis of Presentation

The financial statements of the Charter School have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments, including the Charter School.

Government-wide and Fund Financial Statements

The Charter School's financial statements include both government-wide (reporting on the Charter School as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Charter School. The government-wide financial statements present governmental activities only. The Charter School has no business-type or fiduciary activities. Separate financial statements are provided for governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Government-wide and Fund Financial Statements - Continued

In the government-wide statement of net position, the Charter School recognizes all long-term assets and receivables as well as long-term liabilities, including debt and other obligations. The Charter School's net position is reported in three parts (as applicable): (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function (or segment) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are also included for governmental funds. The focus of a governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income.

The Charter School operates three funds: a General Fund, a Capital Projects Fund and a Debt Service Fund. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures. The Charter School has elected to show each fund as a major fund.

The General Fund is the general operating fund of the Charter School and is used to account for all of its financial resources and activity unrelated to capital projects or debt service.

The Capital Projects Fund is used to account for all capital activity of the Charter School.

The Debt Service Fund is used to account for all proceeds and payments, including interest of the Charter School's mortgages.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available, if they are collected within 60 days of the end of the current period.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

When grant terms provide that the expenditure of resources is the determining factor for eligibility for federal, state and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Revenues for current operations received from the School District of Manatee County, Florida, pursuant to funding provisions included in the Charter School's charter are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Charter School.

Cash and Cash Equivalents

The Charter School's cash and cash equivalents consists of deposits with financial institutions that are insured by the Federal Depository Insurance Corporation (FDIC). The Charter School's cash consists primarily of demand deposits and savings accounts. At June 30, 2024, the carrying amount of the Charter School's deposits was $2,107,207 and the bank balances were $2,326,549. At June 30, 2024, the Charter School's cash balances in excess of FDIC limits was approximately $2,074,000.

Capital Assets

Capital assets, which include land, building, leasehold improvements, vehicles and furniture, fixtures and equipment, are reported in the government-wide financial statements and are not reported in the fund financial statements. Capital assets purchased during the year are reported in the governmental funds as expenditures at the time of purchase. Capital assets are defined by the Charter School as any individual asset with an initial cost of more than $750 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives of the various classes of depreciable assets vary from 3 to 39 years.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position/balance sheet may include a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The statement of net position presents a deferred outflow of pension resources which will be recognized as either pension expense or a reduction of net pension liability in future reporting years.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. One item qualifies for reporting in this category which is a deferred inflow of pension earnings which will be recognized as a reduction to pension expense in future reporting years.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows/Inflows of Resources - Continued
The governmental funds balance sheet presents unavailable revenue which is revenue that did not meet the availability criteria under the modified accrual basis of accounts.

Fund Equity
Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance: Generally, fund balance represents the difference between the assets plus deferred outflows and liabilities plus deferred inflows under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Charter School is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Non-spendable*: Fund balances are reported as non-spendable when amounts cannot be spent because they are either: (1) not in spendable form (i.e., items that are not expected to be converted to cash) or (2) legally or contractually required to be maintained intact. The Charter School classifies prepaid expenses and deposits as non-spendable.
- *Restricted*: Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The Charter School classifies its fund balances other than the General Fund as restricted, as well as unspent State categorical and earmarked educational funding reported in the General Fund, that are legally or otherwise restricted. The Charter School did not have any restricted fund balances at June 30, 2024.
- *Committed:* Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraint imposed by formal action of the highest level of decision-making authority (i.e. the Charter School's Board of Directors). These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same action it employed to previously commit the amounts. The Charter School did not have any committed fund balances at June 30, 2024.
- *Assigned:* Fund balances are reported as assigned when amounts are constrained by the Charter School's intent to be used for specific purposes, but are neither restricted nor committed. Assigned amounts include those that have been set aside for specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. This category includes any remaining positive amounts for governmental funds other than the General Fund, not classified as non-spendable, restricted, or committed. The Charter School did not have any assigned fund balances at June 30, 2024.
- *Unassigned*: Fund balances are reported as unassigned as the residual amount when balances do not meet any of the above criterion. The Charter School reports positive unassigned fund balance as of June 30, 2024.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Equity – Continued

When restricted, committed, assigned and unassigned amounts of fund balance are available for use for expenditures incurred, it is the Charter School's policy first use restricted, then committed, then assigned and unassigned.

Net Position: Net position represents the difference between assets plus deferred outflows less liabilities and less deferred inflows. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations. Net position not reported as net investment in capital assets and restricted net position is reported as unrestricted net position.

When both restricted and unrestricted amounts of net position are available for use for expenses incurred, it is the Charter School's policy to use restricted amounts first and then unrestricted amounts as they are needed.

Budgetary Information

An annual budget was adopted by the Board of Directors for the General Fund. Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instructional, school administration, and debt service) and may be amended at any Board meeting up until sixty days after year end. Budgets are prepared using the same modified accrual basis as is used to account for actual transactions.

Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances outstanding are honored in the subsequent year's appropriations.

Revenue Sources

The state provides financial assistance to administer certain categorical educational programs. Department rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs.

The Department generally requires that categorical educational program revenues be accounted for in the General Fund. The General Fund's fund balance representing any unexpended balances of categorical educational program resources are reserved for.

The state allocates gross receipt taxes, generally known as Public Education Capital Outlay money, to local school boards on an annual basis. The boards are authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. The School would recognize any revenues from these sources when received in the Capital Projects Fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributions
Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Contributions that are restricted by the donor that are not spent at the end of the fiscal year are reported as restricted.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS), (which includes FRS and HIS) and additions to/deletions from FRS's fiduciary net position have been determined on the same basis as they are reported by FRS.

Transfers
The General Fund transfers resources to the Capital Projects Fund and Debt Service Fund to cover the costs of capital asset purchases and construction and debt service, respectively. During the year ended June 30, 2024, the General Fund transferred $435,873 to the Debt Service Fund. Additionally, the Capital Projects Fund transferred $36,032 to the General Fund.

Estimates
The preparation of the basic 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.

NOTE 2 - INVESTMENTS

The Charter School has investments of $125,299 that are reported at fair value. While the Charter School does not have an investment policy, a moderately conservative approach has been selected with the broker as approved by the Board of Directors. Additionally, the Charter School does not have a formal investment policy for credit risk, interest rate risk, custodial credit risk, concentration of credit risk, or foreign currency risk. The investments consist of the following investments, which are unrated:

	Balance at June 30, 2024
Investments:	
US Equity - Large Cap	$ 15,420
US Equity - Mid Cap	4,248
Int'l Developed Markets	8,482
Int'l Emerging Markets	4,226
Real Estate Securities	3,907
Commodities	1,829
Fixed Income	87,187
Total investments	$ 125,299

See Note 9 for additional information regarding fair value.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 400,000	$ -	$ -	$ -	$ 400,000
Construction in progress	-	260,260	-	-	260,260
Total capital assets, not being depreciated	400,000	260,260	-	-	660,260
Capital assets being depreciated:					
Building	8,866,625	-	-	-	8,866,625
Computers and software	432,374	47,958	(75,876)	-	404,456
Furniture, fixtures and equipment	343,188	18,894	(12,160)	-	349,922
Leasehold improvements	73,493	-	-	-	73,493
Library and textbooks	80,457	-	(1,500)	-	78,957
Vehicles	133,746	-	(12,500)	-	121,246
Total capital assets being depreciated	9,929,883	66,852	(102,036)	-	9,894,699
Less accumulated depreciation:					
Building	926,774	260,222	-	-	1,186,996
Computers and software	232,084	80,145	(75,574)	-	236,655
Furniture, fixtures and equipment	119,897	25,129	(12,160)	-	132,866
Leasehold improvements	37,915	7,992	-	-	45,907
Library and textbooks	80,457	-	(1,500)	-	78,957
Vehicles	83,316	23,078	(12,500)	-	93,894
Total accumulated depreciation	1,480,443	396,566	(101,734)	-	1,775,275
Total capital assets, being depreciated, net	8,449,440	(329,714)	(302)	-	8,119,424
Capital assets, net	$ 8,849,440	$ (69,454)	$ (302)	$ -	$ 8,779,684

Depreciation expense in the amount of $396,566 for the year ended June 30, 2024, was allocated to the following governmental functions:

Instruction	$ 289,493
School administration	47,588
Operation and maintenance of plant	59,485
	$ 396,566

NOTE 4 - LONG-TERM LIABILITIES

During the 2021-22 fiscal year, the Charter School entered into a note payable to Ameris Bank to refinance a mortgage payable and finance construction of a new building on campus. The maximum amount allowed under the note agreement totals $7,025,000. The note allowed for fifteen consecutive monthly interest-only payments followed by one-hundred and five principal and interest payments. Interest is fixed at 3.75% per annum and matures on November 30, 2031. The mortgage is secured by substantially all of the Charter School's assets.

NOTE 4 - LONG-TERM LIABILITIES-CONTINUED

Principal and interest payments are liquidated in the Debt Service Fund. As of June 30, 2024, the Charter School had $6,761,269 outstanding on the note. Annual maturities of principal and interest payments on the mortgage are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 185,659	$ 250,214	$ 435,873
2026	192,742	243,131	435,873
2027	200,096	235,778	435,874
2028	207,730	228,144	435,874
2029	215,655	220,219	435,874
2030-2032	5,759,387	497,613	6,257,000
	$ 6,761,269	$ 1,675,099	$ 8,436,368

In the event of default, the whole of the unpaid principal sum and all interest accrued shall become immediately due and payable without further noticed and the lien given to secure the payment may be foreclosed.

The net pension liability is discussed in Note 7. Pension liabilities are liquidated in the General Fund.

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct borrowings:					
Note payable	6,935,733	-	(174,464)	6,761,269	185,659
Net pension liability	1,703,266	1,151,830	(479,973)	2,375,123	-
	$ 8,638,999	$ 1,151,830	$ (654,437)	$ 9,136,392	$ 185,659

NOTE 5 - ECONOMIC DEPENDENCE

For the year ended June 30, 2024, revenues from program services from the School Board represented eighty-four (84%) of the School's total revenues. The School's ability to continue operating and to provide services is predicated on the School Board's continued support and funding of its programs. If a significant reduction were to occur, it would have an adverse effect on the School's ability to continue operations.

NOTE 6 - RISK MANAGEMENT PROGRAMS

The Charter School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Charter School has purchased commercial insurance for all types of claims with nominal deductible amounts. The Charter School has not had any reduction in insurance coverage and the amount of claims resulting from these risks has not exceeded insurance coverage for the last three years. Settled claims have not exceeded the commercial excess coverage in the past year.

NOTE 7 - DEFINED BENEFIT RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM

Plan Description

All part-time and full-time permanent employees of the Charter School are provided with pensions through the Florida Retirement System which is administered by the Florida Department of Management Services, Division of Retirement. The State of Florida issues a publicly available annual comprehensive financial report that can be obtained at:

https://www.myfloridacfo.com/transparency/state-financial- reports/FL-ACFR

Under this system, there are two defined benefit pension plans: The Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program:

- The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes.
- The Retiree Health Insurance Subsidy Program (HIS) is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes.

Benefits Provided

The FRS provides retirees a lifetime pension benefit with joint and survivor payment options. Benefits under the FRS are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation.

Plan Provisions

If first employed prior to July 1, 2011: Normal retirement age for "regular" employees is 62 or 30 years of service and vesting occurs after 6 years of creditable service. The average final compensation is the average of the five highest fiscal years' earnings.

If first employed on or after July 1, 2011: Normal retirement age for "regular" employees is 65 or 33 years of service and vesting occurs after 8 years of creditable service. The average final compensation is the average of the eight highest fiscal years' earnings.

The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Under the HIS Plan, the benefit is a monthly payment to assist retirees in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree must provide proof of eligible health insurance coverage, which can include Medicare.

NOTE 7 - DEFINED BENEFIT RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM-CONTINUED

Contributions Required and Made

Per Chapter 121, Florida Statues, contribution requirements of the active employees and the participating employers are established and may be amended by the Florida Department of Management Services, Division of Retirement. Effective July 1, 2011, both employees and employers of the FRS are required to make contributions to establish service credit for work performed in a regularly established position. The Florida Legislature established a uniform contribution rate system for the FRS. The uniform rates are based on the class an employee is placed into, which require employees to contribute 3% and employers to contribute based on class.

The Charter School's contractually required contribution rate for the year ended June 30, 2024 was 13.57% for regular employees and 21.13% for employees in the DROP program of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Charter School were $231,112 for the year ended June 30, 2024, which equaled required contributions and approximated 13.57% of covered payroll.

The HIS Program is funded by required contributions of 2.00% and is included in the contribution rates noted above.

As of June 30, 2024, the Charter School had employer and employee contributions totaling $43,060 and $9,520, respectively, due to the FRS Plan.

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

At June 30, 2024, the Charter School reported a liability of $2,375,123 for its proportionate share of the net pension liability which includes both FRS and HIS. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Charter School's proportion of the net pension liability was based on a long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2023, the Charter School's proportion was 0.003715314% for FRS and 0.005633580% for HIS which was consistent with its proportion measured in the previous year.

Pertaining to the June 30, 2023 measurement, the Charter School recognized pension expense of $721,995. Additionally, the Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 7 - DEFINED BENEFIT RETIREMENT PLAN - FLORIDA RETIREMENT SYSTEM - CONTINUED

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 139,000	$ -	$ 13,098	$ 2,100
Changes in assumptions	96,507	-	23,521	77,528
Net difference between projected and actual earnings on pension plan investments	61,827	-	462	-
Change in proportion and differences between contributions and proportionate share of contributions	192,203	2,230	113,281	16,494
Charter School contributions subsequent to the June 30, 2023 measurement date	230,523	-	47,798	-
	$ 720,060	$ 2,230	$ 198,160	$ 96,122

Total deferred outflows were $918,220 and total deferred inflows were $98,352. $230,523 (FRS) and $47,798 (HIS) were reported as deferred outflows of resources related to pensions resulting from Charter School contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	FRS	HIS
2025	$ 92,645	$ 8,629
2026	92,645	8,629
2027	92,645	8,629
2028	92,645	8,629
2029	92,647	8,626
Thereafter	24,080	11,098
	$ 487,307	$ 54,240

Actuarial Assumptions

The total pension liability in the July 1, 2023 actuarial valuation for FRS and July 1, 2022 for HIS (June 30, 2023 measurement date for both) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.25 percent, including inflation
Investment rate of return	6.70 percent, including inflation at 2.40%

NOTE 7 - DEFINED BENEFIT RETIREMENT PLAN - FLORIDA RETIREMENT SYSTEM - CONTINUED

Mortality assumptions for the FRS pension plan were based on the PUB-2010 base table, projected generationally with Scale MP-2018, and mortality assumptions for the HIS program were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study performed for the period July 1, 2013 - June 30, 2018. Because the HIS is funded on a pay-as-you-go basis, no experience study has been completed for that Plan, but were based on certain results of the most recent experience study for the FRS Plan.

The long-term expected rate of return on pension plan investments consists of two building block components: 1) a real (in excess of inflation) return of 4.20%, consistent with the 4.48 percent real return from the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2023 by the FRS Actuarial Assumption Conference. The table below shows the assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return
Cash	1.0%	2.9%
Fixed income	19.8%	4.5%
Global equity	54.0%	8.7%
Real estate	10.3%	7.6%
Private equity	11.1%	11.9%
Strategic investments	3.8%	6.3%

Discount Rate

The discount rate used to measure the total FRS pension liability was 6.70%. The HIS rate increased from 3.54% to 3.65% in the most recent actuarial study. The HIS rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following changes in actuarial assumptions occurred in the 2023 valuation:

NOTE 7 - DEFINED BENEFIT RETIREMENT PLAN - FLORIDA RETIREMENT SYSTEM - CONTINUED

- HIS: The municipal bond rate used to determine total pension liability increased from 3.54% to 3.65%. Chapter 2023-193, Laws of Florida (Senate Bill 7024), increased the level of monthly benefits from $5 times years of service to $7.50, with an increased minimum of $45 and maximum of $225. This change applies to all years of service for both members currently receiving benefits and members not yet receiving benefits and became effective July 1, 2023.

Sensitivity of the Charter School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Charter School's proportionate share of the FRS net pension liability calculated using the discount rate of 6.70%, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70 percent) or 1-percentage-point higher (7.70 percent) than the current rate:

	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
Charter School's proportionate share of the FRS net pension liability	$ 2,528,885	$ 1,480,435	$ 603,282

The following presents the Charter School's proportionate share of the HIS net pension liability calculated using the discount rate of 3.65%, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Charter School's proportionate share of the HIS net pension liability	$ 1,020,699	$ 894,688	$ 790,233

Pension Plan Fiduciary Net Position

The Charter School's proportion of net position has been determined on the same basis as each Plan. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of Florida annual comprehensive financial report.

Aggregate Information for Retirement Plans

	Deferred Outflows	Net Pension Liability	Deferred Inflows
FRS	$ 720,060	$ 1,480,435	$ 2,230
HIS	198,160	894,688	96,122
	$ 918,220	$ 2,375,123	$ 98,352

NOTE 8 - DEFINED CONTRIBUTION RETIREMENT PLAN - FLORIDA RETIREMENT SYSTEM

In addition to the Charter School's participation in the FRS defined benefit pension plan, some employees of the Charter School have elected to participate in the FRS' alternative pension plan which is a defined contribution plan officially titled the Florida Retirement System Investment Plan (Investment Plan).

The Florida Legislature establishes and amends the contribution requirements and benefit terms of the plan. The Investment Plan is administered by the State Board of Administration, which is also the plan sponsor. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for the FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided for total and permanent disability. The member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension, or remain in the Investment Plan and rely on that account balance for retirement income.

Similar to the defined benefit plan, employees are required to contribute 3% and employers are required to contribute based on class. The Charter School's contractually required contribution rate for the year ended June 30, 2024 was 13.57% for regular employees and 21.13% for employees in the DROP program of annual payroll. Contributions are directed to the individual member accounts, and individual members allocate contributions and account balances among various approved investment choices. The Charter School had 22 participants in the Investment Plan during fiscal 2024 and employer contributions totaled $114,411. As of June 30, 2024, the Charter School had employee and employer contributions totaling $5,249 and $23,742, respectively, due to the Investment Plan.

NOTE 9 - FAIR VALUE HIERARCHY

The Charter School recognizes its investments as fair value. The Charter School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles which are measured on a recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

NOTE 9 - FAIR VALUE HIERARCHY-CONTINUED

Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate.

In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

There are three categories within the hierarchy:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment.

The Charter School's investments which are measured on a recurring basis at June 30, 2024 are as follows:

	Balance at June 30, 2024	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
US Equity - Large Cap	$ 15,420	$ 15,420	$ -	$ -
US Equity - Mid Cap	4,248	4,248	-	-
Int'l Developed Markets	8,482	8,482	-	-
Int'l Emerging Markets	4,226	4,226	-	-
Real Estate Securities	3,907	3,907	-	-
Commodities	1,829	1,829	-	-
Fixed Income	87,187	87,187	-	-
Total investments	$ 125,299	$ 125,299	$ -	$ -

NOTE 10 – CONSTRUCTION COMMITMENT

The Charter School has entered into a construction commitment for $675,000 of which $425,048 remains as of June 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
NON-GAAP BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND			
REVENUES	**ORIGINAL BUDGET**	**FINAL BUDGET**	**ACTUAL**	**VARIANCE**
Federal, state and local sources	$ 4,258,224	$ 4,528,403	$ 4,561,401	$ 32,998
Contributions and fundraising	21,832	22,025	115,912	93,887
Investment income (loss)	8,900	72,000	87,366	15,366
Other	113,814	210,519	133,490	(77,029)
Total Revenues	4,402,770	4,832,947	4,898,169	65,222
EXPENDITURES				
Current:				
Instruction	2,567,028	2,931,464	2,768,594	162,870
Staff development	141,065	82,065	105,235	(23,170)
School administration	715,791	821,430	856,459	(35,029)
Operation and maintenance of plant	185,538	240,422	279,015	(38,593)
Other programs and services	219,761	235,127	242,678	(7,551)
Total Expenditures	3,829,183	4,310,508	4,251,981	58,527
NET CHANGE IN FUND BALANCE	573,587	522,439	646,188	123,749
FUND BALANCE - Beginning of year	1,650,340	1,650,340	1,650,340	-
FUND BALANCE - End of year	**$ 2,223,927**	**$ 2,172,779**	**$ 2,296,528**	**$ 123,749**

RECONCILIATION OF DIFFERENCES BETWEEN NON-GAAP BUDGETARY BASIS AND GAAP (MODIFIED ACCRUAL) BASIS

The Charter School did not budget for transfers in (out) to the Capital Projects Fund and Debt Service Fund. The following schedule reconciles the actual amount on the budget basis to the actual amount on the GAAP basis as presented on page 13.

	Actual On GAAP Basis	To Budgetary Basis	Actual On Budget Basis
Excess of revenues over (under) expenditures	$ 646,188	$ -	$ 646,188
Other financing sources (uses) - Transfers in (out)	$ (399,841)	$ 399,841	$ -
Total other financing sources (uses)	$ (399,841)	$ 399,841	$ -
Net change in fund balance	**$ 246,347**	**$ 399,841**	**$ 646,188**

NOTE 1 - BUDGETARY INFORMATION

An annual budget was adopted for the General Fund on the modified accrual basis of accounting, except for transfers in (out), and is used to account for the activity in the General Fund. Appropriations are controlled at the fund level. All annual appropriations lapse at fiscal year-end.

Revenues were greater than budget in the amount of $65,222 and expenditures were less than appropriations in the amount of $58,527.

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY – FRS

FLORIDA RETIREMENT SYSTEM (FRS)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Charter School's proportion of the net pension liability	0.002891751%	0.002825790%	0.002353939%	0.002861927%	0.002661866%	0.002700062%	0.002715252%	0.003188800%	0.003227555%	0.003715314%
Charter School's proportionate share of the net pension liability	$ 176,439	$ 364,989	$ 594,371	$ 846,539	$ 801,768	$ 929,864	$ 1,176,830	$ 240,878	$ 1,200,910	$ 1,480,435
Charter School's covered payroll	$ 1,020,341	$ 922,627	$ 1,131,651	$ 1,107,452	$ 1,122,991	$ 1,105,411	$ 1,111,817	$ 1,277,223	$ 1,504,521	$ 1,703,110
Charter School's proportionate share of the net pension liability as a percentage of its covered payroll	17%	40%	53%	76%	71%	84%	106%	19%	80%	87%
Plan fiduciary net position as a percentage of total pension liability	96.09%	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%	82.38%

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - HIS

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Charter School's proportion of the net pension liability	0.004584430%	0.004478760%	0.004130202%	0.004745034%	0.004321430%	0.004475917%	0.004501724%	0.004817304%	0.004742970%	0.005633580%
Charter School's proportionate share of the net pension liability	$ 428,655	$ 456,763	$ 481,358	$ 507,361	$ 457,385	$ 511,999	$ 549,653	$ 590,915	$ 502,356	$ 894,688
Charter School's covered payroll	$ 1,020,341	$ 922,627	$ 1,131,651	$ 1,107,452	$ 1,122,991	$ 1,105,411	$ 1,111,817	$ 1,277,223	$ 1,504,521	$ 1,703,110
Charter School's proportionate share of the net pension liability as a percentage of its covered payroll	42%	50%	43%	46%	41%	46%	49%	46%	33%	53%
Plan fiduciary net position as a percentage of total pension liability	0.99%	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF THE CHARTER SCHOOL'S CONTRIBUTIONS – FRS

FLORIDA RETIREMENT SYSTEM (FRS)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution *	$ 63,342	$ 68,895	$ 57,405	$ 74,503	$ 75,861	$ 83,721	$ 90,216	$ 121,480	$ 137,726	$ 178,731
Contributions in relation to the contractually required contributions	63,342	68,895	57,405	74,503	75,861	83,721	90,216	121,480	137,726	178,731
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Charter School's covered payroll	$ 1,020,341	$ 922,627	$ 1,131,651	$ 1,107,452	$ 1,122,991	$ 1,105,411	$ 1,111,817	$ 1,277,223	$ 1,504,521	$ 1,703,110
Contributions as a percentage of covered payroll covered payroll	6.21%	7.47%	5.07%	6.73%	6.76%	7.57%	8.11%	9.51%	9.15%	10.49%

* – Contributions noted per this schedule are pursuant to the measurement date of the actuarial report.

PALMETTO CHARTER SCHOOL, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA
SCHEDULE OF THE CHARTER SCHOOL'S CONTRIBUTIONS - HIS

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution *	$ 15,705	$ 17,121	$ 21,170	$ 25,112	$ 23,435 0	$ 25,410	$ 25,941	$ 28,316	$ 28,699	$ 37,059
Contributions in relation to the contractually required contributions	15,705	17,121	21,170	25,112	23,435	25,410	25,941	28,316	28,699	37,059
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charter School's covered payroll	$ 1,020,341	$ 922,627	$ 1,131,651	$ 1,107,452	$ 1,122,991	$ 1,105,411	$ 1,111,817	$ 1,277,223	$ 1,504,521	$ 1,703,110
Contributions as a percentage of covered payroll covered payroll	1.54%	1.86%	1.87%	2.27%	2.09%	2.30%	2.33%	2.22%	1.91%	2.18%

* - Contributions noted per this schedule are pursuant to the measurement date of the actuarial report.

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial assumptions for both defined benefit plans (FRS and HIS) are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. This HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed for the period July 1, 2013 through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS program were based on certain results of the most recent experience study for the FRS pension plan.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2023 for FRS and July 1, 2022 for HIS. Both plans used the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.65% was used to determine the total pension liability for the program. Mortality assumptions for the FRS plan was based on the PUB-2010 base table, projected generationally with Scale MP-2018, and mortality assumptions for the HIS program were based on the Generational PUB-2010 with Projection Scale MP-2018.

The following changes in actuarial assumptions occurred in 2023:

- HIS: The municipal bond rate used to determine total pension liability increased from 3.54% to 3.65%. Chapter 2023-193, Laws of Florida (Senate Bill 7024), increased the level of monthly benefits from $5 times years of service to $7.50, with an increased minimum of $45 and maximum of $225. This change applies to all years of service for both members currently receiving benefits and members not yet receiving benefits and became effective July 1, 2023.

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

Board of Directors
Palmetto Charter School, Inc.
Palmetto, Florida

We have audited, 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, the financial statements of the governmental activities and each major fund of Palmetto Charter School, Inc. (the "Charter School") (a Charter School and component unit of the School District of Manatee County, Florida), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements and have issued our report thereon dated September 6, 2024.

Report on Internal Control over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Christopher, Smith, Leonard & Stanell, P.A.

CHRISTOPHER, SMITH,
LEONARD & STANELL, P.A.

September 6, 2024
Bradenton, Florida

MANAGEMENT LETTER

Board of Directors
Palmetto Charter School, Inc.
Palmetto, Florida

Report on the Financial Statements

We have audited the financial statements of Palmetto Charter School, Inc. (the "Charter School") (a Charter School and component unit of the School District of Manatee County, Florida) as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 6, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 6, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Palmetto Charter School, Inc. and 2131, respectively.

Financial Condition and Management

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

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

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

Transparency

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the Charter School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Charter School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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

Christopher, Smith,
Leonard & Stanell, P.A.

CHRISTOPHER, SMITH,
LEONARD & STANELL, P.A.

September 6, 2024
Bradenton, Florida