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

FINANCIAL STATEMENTS

JUNE 30, 2025

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, 2025, 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, 2025, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 4, 2025 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.

CS&L CPAs

CS&L CPAs, P.A.

September 4, 2025
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, 2025

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, 2025.

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, 2025, the Charter School reported an increase in net position as shown on the Charter School's statement of activities by $326,628.
- As shown on the statement of net position, the Charter School reported positive unrestricted net position of $344,870.
- Fund balance as of June 30, 2025 in the General Fund increased by $198,639 over the prior fiscal year.
- Unassigned fund balance as of June 30, 2025 was $2,088,891.

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, 2025. Net position is $2,622,945 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		
	2025	2024	Change
Current and other assets	$ 2,391,845	$ 2,347,367	$ 44,478
Capital assets	8,857,437	8,779,684	77,753
Total assets	11,249,282	11,127,051	122,231
Deferred outflows	978,576	918,220	60,356
Current liabilities	296,519	362,249	(65,730)
Noncurrent liabilities	9,091,564	9,136,392	(44,828)
Total liabilities	9,388,083	9,498,641	(110,558)
Deferred inflows	216,830	98,352	118,478
Net Position:			
Net investment in capital assets	2,278,075	2,018,415	259,660
Unrestricted	344,870	429,863	(84,993)
Total net position	$ 2,622,945	$ 2,448,278	$ 174,667

During the year ended June 30, 2025, the Charter School's total assets increased due to additional cash from operations. Additionally, liabilities decreased due to timing of accrued expenses and payments on the Charter School's note payable.

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 increased by $326,628 during the current year. As noted in the condensed statement of activities on page 6, revenues increased during the year by $241,112 over the prior year due to capital grants and contributions and charges for services. Expenses decreased $167,902 over the prior year. The decrease in expenses are largely a result of changes in the Charter School's 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 63% of total expenditures.

Beginning net position was restated as of July 1, 2024 due to the adoption of GASB Statement No. 101, *Compensated Absences* as discussed in Note 1 of the financial statements.

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

Condensed Statement of Activities

	Governmental Activities		
	2025	2024	Change
Revenues			
Program revenues:			
Charges for services	$ 203,852	$ 133,490	$ 70,362
Capital grants and contributions	523,817	363,144	160,673
Total program revenues	727,669	496,634	231,035
General revenues:			
Grants and contributions not restricted to specific programs	4,706,161	4,687,548	18,613
Investment income (loss)	78,528	87,366	(8,838)
Loss on disposal of capital assets	-	(302)	302
Total general revenues	4,784,689	4,774,612	10,077
Total revenues	5,512,358	5,271,246	241,112
Expenses			
Instruction	3,258,427	3,428,368	(169,941)
Staff development	119,863	121,884	(2,021)
School administration	914,965	960,793	(45,828)
Operation and maintenance of plant	338,459	338,500	(41)
Other programs and services	300,050	242,678	57,372
Interest expense	253,966	261,409	(7,443)
Total expenses	5,185,730	5,353,632	(167,902)
Change in Net Position	326,628	(82,386)	409,014
Net Position - Beginning, as originally stated	2,448,278	2,530,664	(82,386)
Prior period adjustments	(151,961)	-	(151,961)
Net Position - Beginning, as restated	2,296,317	2,530,664	(234,347)
Net Position - Ending	$ 2,622,945	$ 2,448,278	$ 174,667

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 $2,095,326 in the General Fund as of June 30, 2025. Fund balance in the General Fund increased by $198,639.

The Charter School's Capital Projects Fund tracks revenues and expenditures related to capital assets. For the year ended June 30, 2025, the Charter School had total capital outlay expenditures of $432,250 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, 2025, 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, 2025, 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.

Original and final budgeted revenues were $5,440,530 and original and final budgeted expenditures were $5,052,950. At year-end, actual revenues were less than budget by $363,558 and actual expenditures were less than budget by $518,923.

A schedule of revenues, expenditures and changes in fund balance comparing the budget to actual results for the General Fund is on page 32 of the financial statements.

Capital Assets

Below is a schedule of capital assets net of accumulated depreciation as of June 30, 2025 and 2024.

	Governmental Activities		
	2025	2024	Change
Land	$ 400,000	$ 400,000	$ -
Construction in progress	647,374	260,260	387,114
Building	7,452,164	7,679,629	(227,465)
Computers and software	121,112	167,801	(46,689)
Furniture, fixtures and equipment	212,782	217,056	(4,274)
Leasehold improvements	19,731	27,586	(7,855)
Vehicles	4,274	27,352	(23,078)
Total (net of depreciation)	$ 8,857,437	$ 8,779,684	$ 77,753

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 note payable had a decreased by $181,907 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, 2025 and 2024, the net pension liability recognized by the Charter School was $2,404,261 and $2,375,123.

The Charter School has an annual leave policy providing all eligible employees six days of annual leave each fiscal year. The Charter School reported a liability in the amount of $107,941 for accrued compensated absences due to the adoption of GASB Statement No. 101, *Compensated Absences* as discussed in Note 1 of the financial statements.

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 2025-2026 academic year. The budget demonstrates that the Charter School will have a budgeted surplus from operations of approximately $468,000 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, 2025

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current assets	
Cash and cash equivalents	$ 2,255,157
Investments	130,253
Prepaid expenses	5,245
Deposits	1,190
Total current assets	2,391,845
Noncurrent assets	
Capital assets, net of accumulated depreciation	8,857,437
TOTAL ASSETS	11,249,282
DEFERRED OUTFLOWS OF RESOURCES - Pension	978,576
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	296,519
Total current liabilities	296,519
Noncurrent liabilities	
Due within one year	194,742
Due in more than one year	8,896,822
Total noncurrent liabilities	9,091,564
TOTAL LIABILITIES	9,388,083
DEFERRED INFLOWS OF RESOURCES - Pension	216,830
Net position	
Net investment in capital assets	2,278,075
Unrestricted	344,870
TOTAL NET POSITION	$ 2,622,945

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, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change In Net Position Total
Governmental Activities:					
Instruction	$ 3,258,427	$ -	$ -	$ -	$ (3,258,427)
Staff development	119,863	-	-	-	(119,863)
School administration	914,965	-	-	-	(914,965)
Operation and maintenance of plant	338,459	-	-	523,817	185,358
Community services	300,050	203,852	-	-	(96,198)
Interest expense	253,966	-	-	-	(253,966)
Total Governmental Activities	5,185,730	203,852	-	523,817	(4,458,061)
General Revenues:					
Grants and contributions not restricted to specific programs					4,706,161
Investment income (loss)					78,528
Total General Revenue					4,784,689
Change in net position					326,628
Net Position - Beginning of year, as originally stated					2,448,278
Change in accounting principle (Note 1)					(151,961)
Net Position - Beginning, as restated					2,296,317
Net Position - End of year					$ 2,622,945

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, 2025

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,255,157	$ –	$ –	$ 2,255,157
Investments	130,253	–	–	130,253
Prepaid items	5,245	–	–	5,245
Deposits	1,190	–	–	1,190
TOTAL ASSETS	**$ 2,391,845**	**$ –**	**$ –**	**$ 2,391,845**
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	$ 296,519	$ –	$ –	$ 296,519
TOTAL LIABILITIES	296,519	–	–	296,519
Fund Balances:				
Non-spendable:				
Prepaid items	5,245	–	–	5,245
Deposits	1,190	–	–	1,190
Unassigned	2,088,891	–	–	2,088,891
TOTAL FUND BALANCES	2,095,326	–	–	2,095,326
TOTAL LIABILITIES AND FUND BALANCES	**$ 2,391,845**	**$ –**	**$ –**	**$ 2,391,845**

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, 2025

Fund Balance - Governmental Funds		$ 2,095,326
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		8,857,437
Deferred outflows of resources related to pension are not recognized in the governmental funds; however, they are reported in the statement of net position		978,576
Deferred inflows of resources related to pension are not recognized in the governmental funds; however, they are reported in the statement of net position		(216,830)
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Compensated absences	(107,941)	
Net pension liability	(2,404,261)	
Note payable	(6,579,362)	
		(9,091,564)
NET POSITION OF GOVERNMENTAL ACTIVITIES		**$ 2,622,945**

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, 2025

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Federal, state and local sources	$ 4,731,696	$ 523,817	$ -	$ 5,255,513
Contributions and fundraising	62,896	-	-	62,896
Investment income (loss)	78,528	-	-	78,528
Other	203,852	-	-	203,852
Total Revenues	5,076,972	523,817	-	5,600,789
EXPENDITURES				
Current:				
Instruction	3,015,046	-	-	3,015,046
Staff development	103,214	-	-	103,214
School administration	830,441	-	-	830,441
Operation and maintenance of plant	285,276	-	-	285,276
Community services	300,050	-	-	300,050
Capital outlay	-	432,250	-	432,250
Debt service:				
Interest and fiscal charges	-	-	253,966	253,966
Principal payments	-	-	181,907	181,907
Total Expenditures	4,534,027	432,250	435,873	5,402,150
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	542,945	91,567	(435,873)	198,639
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(344,306)	(91,567)	435,873	-
Total Other Financing Sources (Uses)	(344,306)	(91,567)	435,873	-
NET CHANGE IN FUND BALANCES	198,639	-	-	198,639
FUND BALANCE - Beginning of year	1,896,687	-	-	1,896,687
FUND BALANCE - End of year	**$ 2,095,326**	**$ -**	**$ -**	**$ 2,095,326**

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, 2025

Net change in fund balance - statement of revenues, expenditures and changes in fund balance - Governmental Funds		$	198,639
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 exceeded depreciation expense in the current period.			
Capital additions	432,250		
Less current depreciation	(354,497)		
			77,753
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.			(88,431)
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			181,907
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	60,356		
(Increase) decrease in deferred inflows	(118,478)		
(Increase) decrease in compensated absences	44,020		
(Increase) decrease in net pension liability	(29,138)		
			(43,240)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		**$**	**326,628**

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 the first extension period effective July 1, 2015 through June 30, 2025. An additional extension has been approved by the School Board extending the charter from July 1, 2025 through June 30, 2040. 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, related to 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, 2025, the carrying amount of the Charter School's deposits was $2,255,157 and the bank balances were $2,353,773. At June 30, 2025, the Charter School's cash balances in excess of FDIC limits was approximately $2,104,000.

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

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, 2025.
- *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, 2025.
- *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, 2025.
- *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, 2025.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Equity – Continued

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 Charter School would recognize any revenues from these sources when received in the Capital Projects Fund.

Contributions

Contributions are recognized when the donor makes a promise to give to the Charter 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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, 2025, the General Fund transferred $435,873 to the Debt Service Fund. Additionally, the Capital Projects Fund transferred $91,567 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.

Adoption of a New Accounting Standard

Effective July 1, 2024, the Charter School adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* (GASB No. 101). GASB No. 101 updates the recognition and measurement guidance for compensated absences, including vacation, sick leave, and other paid leave benefits. Under GASB No.101, liabilities for compensated absences are recognized when the benefits are both attributable to services already rendered and are expected to be paid. The standard eliminates the requirement to segregate obligations into "vesting" and "non-vesting" components, instead emphasizing whether leave accumulates and whether it is more likely than not to be paid. This change required the restatement of the beginning balances of the governmental activities. The restatement effective July 1, 2024 for the statement of financial position and statement of activities are as follows:

	Governmental Activities
Statement of Financial Position:	
Compensated absences at July 1, 2024 - as originally stated	$ -
Change in accounting principle:	
GASB No. 101, *Compensated Absences*	151,961
Total restatement	151,961
Compensated absences at July 1, 2024 - as restated	$ 151,961
Statement of Activities:	
Net position at July 1, 2024 - as originally stated	$ 2,448,278
Change in accounting principle:	
GASB No. 101, *Compensated Absences*	(151,961)
Total restatement	(151,961)
Net position at July 1, 2024 - as restated	$ 2,296,317

NOTE 2 - INVESTMENTS

The Charter School has investments of $130,253 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, 2025
Investments:	
US Equity - Large Cap	$ 16,255
US Equity - Mid Cap	4,285
Int'l Developed Markets	10,016
Int'l Emerging Markets	4,866
Real Estate Securities	4,297
Commodities	1,893
Fixed Income	88,641
Total investments	$ 130,253

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, 2025, 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	387,114	-	-	647,374
Total capital assets, not being depreciated	660,260	387,114	-	-	1,047,374
Capital assets being depreciated:					
Building	8,866,625	-	-	-	8,866,625
Computers and software	404,456	22,221	(20,755)	-	405,922
Furniture, fixtures and equipment	349,922	22,915	(15,320)	-	357,517
Leasehold improvements	73,493	-	-	-	73,493
Library and textbooks	78,957	-	(57,481)	-	21,476
Vehicles	121,246	-	-	-	121,246
Total capital assets being depreciated	9,894,699	45,136	(93,556)	-	9,846,279
Less accumulated depreciation:					
Building	1,186,996	227,465	-	-	1,414,461
Computers and software	236,655	68,910	(20,755)	-	284,810
Furniture, fixtures and equipment	132,866	27,189	(15,320)	-	144,735
Leasehold improvements	45,907	7,855	-	-	53,762
Library and textbooks	78,957	-	(57,481)	-	21,476
Vehicles	93,894	23,078	-	-	116,972
Total accumulated depreciation	1,775,275	354,497	(93,556)	-	2,036,216
Total capital assets, being depreciated, net	8,119,424	(309,361)	-	-	7,810,063
Capital assets, net	$ 8,779,684	$ 77,753	$ -	$ -	$ 8,857,437

Depreciation expense in the amount of $354,497 for the year ended June 30, 2025, was allocated to the following governmental functions:

Instruction	$ 258,767
School administration	42,547
Operation and maintenance of plant	53,183
	$ 354,497

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, 2025, the Charter School had $6,579,362 outstanding on the note. Annual maturities of principal and interest payments on the mortgage are as follows:

Year Ending June 30,	Principal	Interest	Total
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	223,882	211,991	435,873
2031-2032	5,539,257	285,622	5,824,879
	$ 6,579,362	$ 1,424,885	$ 8,004,247

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.

As discussed in Note 1, the beginning balance for compensated absences was restated by $151,967 due to the adoption of GASB No. 101. The Charter School has an annual leave policy providing eligible employees six days of annual leave each fiscal year. Unused leave will be carried forward into the next year and is not paid out upon separation.

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, 2025 was as follows:

	Beginning Balance	Restatement of Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct borrowings:						
Note payable	$ 6,761,269	$ -	$ -	$ (181,907)	$ 6,579,362	$ 192,742
Compensated absences	-	151,961	-	* (44,020)	* 107,941	2,000
Net pension liability	2,375,123	-	994,768	(965,630)	2,404,261	-
	$ 9,136,392	$ 151,961	$ 994,768	$ (1,191,557)	$ 9,091,564	$ 194,742

* The change in compensated absences is presented as a net change.

NOTE 5 - ECONOMIC DEPENDENCE

For the year ended June 30, 2025, revenues from program services from the School Board represented eighty-eight (88%) 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.

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

Plan Provisions - Continued

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.

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, 2025 was 13.63% 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 $217,743 for the year ended June 30, 2025, which equaled required contributions and approximated 13.63% 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, 2025, the Charter School had employer and employee contributions totaling $69,665 and $15,333, 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, 2025, the Charter School reported a liability of $2,404,261 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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024 for both FRS and HIS. 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, 2024, the Charter School's proportion was 0.003881995% for FRS and 0.006016426% for HIS which was consistent with its proportion measured in the previous year.

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

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

Pertaining to the June 30, 2024 measurement, the Charter School recognized pension expense of $356,660. Additionally, the Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 151,716	$ -	$ 8,714	$ 1,733
Changes in assumptions	205,827	-	15,973	106,847
Net difference between projected and actual earnings on pension plan investments	-	99,813	-	326
Change in proportion and differences between contributions and proportionate share of contributions	179,368	-	140,017	8,111
Charter School contributions subsequent to the June 30, 2024 measurement date	222,725	-	54,236	-
	$ 759,636	$ 99,813	$ 218,940	$ 117,017

Total deferred outflows were $978,576 and total deferred inflows were $216,830. $222,725 (FRS) and $54,236 (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, 2026.

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
2026	$ 81,341	$ 7,556
2027	81,341	7,556
2028	81,341	7,556
2029	81,341	7,556
2030	81,341	7,556
Thereafter	30,393	9,907
	$ 437,098	$ 47,687

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

Actuarial Assumptions

The total pension liability in the July 1, 2024 actuarial valuation for both FRS and HIS was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.50 percent, including inflation
Investment rate of return	6.70 percent, including inflation at 2.40%

Mortality assumptions for the FRS pension plan were based on the PUB-2010 base table, projected generationally with Scale MP-2021, and mortality assumptions for the HIS program were based on the Generational PUB-2010 with Projection Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study performed for the period July 1, 2018 – June 30, 2023. Because the HIS is funded on a pay-as-you-go basis, no experience study has been completed for that Plan, but the actuarial assumptions 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 long-term average annual inflation assumption of 2.40 percent as adopted in October 2024 by the FRS Actuarial Assumption Conference; and 2) a real (in excess of inflation) return of 4.20%. 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%	3.3%
Fixed income	29.0%	5.7%
Global equity	45.0%	8.6%
Real estate	12.0%	8.1%
Private equity	11.0%	12.4%
Strategic investments	2.0%	6.6%

Discount Rate

The discount rate used to measure the total FRS pension liability was 6.70%. The HIS rate increased from 3.65% to 3.93% 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.

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

Actuarial Assumptions - Continued
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 2024 valuation for HIS:

- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.
- The coverage election assumptions were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its October 2024 meeting.
- The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates. The previous rate was 3.65%.

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%) or 1-percentage-point higher (7.70%) 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	$ 2,641,505	$ 1,501,738	$ 546,942

The following presents the Charter School's proportionate share of the HIS net pension liability calculated using the discount rate of 3.93%, 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 (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Charter School's proportionate share of the HIS net pension liability	$ 1,027,406	$ 902,523	$ 798,849

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

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	$ 759,636	$ 1,501,738	$ 99,813
HIS	218,940	902,523	117,017
	$ 978,576	$ 2,404,261	$ 216,830

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, 2025 was 13.63% for regular employees and 21.13% for employees in the DROP program of annual payroll.

NOTE 8 - DEFINED CONTRIBUTION RETIREMENT PLAN - FLORIDA RETIREMENT SYSTEM - CONTINUED

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 25 participants in the Investment Plan during fiscal 2025 and employer contributions totaled $151,733. As of June 30, 2025, the Charter School had employee and employer contributions totaling $6,539 and $29,709, 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.

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.

NOTE 9 – FAIR VALUE HIERARCHY – CONTINUED

The Charter School's investments which are measured on a recurring basis at June 30, 2025 are as follows:

	Balance at June 30, 2025	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
US Equity – Large Cap	$ 16,255	$ 16,255	$ –	$ –
US Equity – Mid Cap	4,285	4,285	–	–
Int'l Developed Markets	10,016	10,016	–	–
Int'l Emerging Markets	4,866	4,866	–	–
Real Estate Securities	4,297	4,297	–	–
Commodities	1,893	1,893	–	–
Fixed Income	88,641	88,641	–	–
Total investments	$ 130,253	$ 130,253	$ –	$ –

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, 2025

	GENERAL FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES				
Federal, state and local sources	$ 5,184,689	$ 5,184,689	$ 4,731,696	$ (452,993)
Contributions and fundraising	1,000	1,000	62,896	61,896
Investment income (loss)	69,000	69,000	78,528	9,528
Other	185,841	185,841	203,852	18,011
Total Revenues	5,440,530	5,440,530	5,076,972	(363,558)
EXPENDITURES				
Current:				
Instruction	3,304,073	3,304,073	3,015,046	289,027
Staff development	91,465	91,465	103,214	(11,749)
School administration	751,125	751,125	830,441	(79,316)
Operation and maintenance of plant	633,949	633,949	285,276	348,673
Community services	272,338	272,338	300,050	(27,712)
Total Expenditures	5,052,950	5,052,950	4,534,027	518,923
NET CHANGE IN FUND BALANCE	387,580	387,580	542,945	155,365
FUND BALANCE - Beginning of year	1,896,687	1,896,687	1,896,687	-
FUND BALANCE - End of year	**$ 2,284,267**	**$ 2,284,267**	**$ 2,439,632**	**$ 155,365**

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	$ 542,945	$ -	$ 542,945
Other financing sources (uses) - Transfers in (out)	$ (344,306)	$ 344,306	$ -
Total other financing sources (uses)	$ (344,306)	$ 344,306	$ -
Net change in fund balance	**$ 198,639**	**$ 344,306**	**$ 542,945**

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 less than budget in the amount of $363,558 and expenditures were less than appropriations in the amount of $518,923.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Charter School's proportion of the net pension liability	0.002825790%	0.002353939%	0.002861927%	0.002661866%	0.002700062%	0.002715252%	0.003188800%	0.003227555%	0.003715314%	0.003881995%
Charter School's proportionate share of the net pension liability	$ 364,989	$ 594,371	$ 846,539	$ 801,768	$ 929,864	$ 1,176,830	$ 240,878	$ 1,200,910	$ 1,480,435	$ 1,501,738
Charter School's covered payroll	$ 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	$ 1,597,524
Charter School's proportionate share of the net pension liability as a percentage of its covered payroll	40%	53%	76%	71%	84%	106%	19%	80%	87%	94%
Plan fiduciary net position as a percentage of total pension liability	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%	82.38%	83.70%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Charter School's proportion of the net pension liability	0.004478760%	0.004130202%	0.004745034%	0.004321430%	0.004475917%	0.004501724%	0.004817304%	0.004742970%	0.005633580%	0.006016426%
Charter School's proportionate share of the net pension liability	$ 456,763	$ 481,358	$ 507,361	$ 457,385	$ 511,999	$ 549,653	$ 590,915	$ 502,356	$ 894,688	$ 902,523
Charter School's covered payroll	$ 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	$ 1,597,524
Charter School's proportionate share of the net pension liability as a percentage of its covered payroll	50%	43%	46%	41%	46%	49%	46%	33%	53%	56%
Plan fiduciary net position as a percentage of total pension liability	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%	4.80%

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution *	$ 68,895	$ 57,405	$ 74,503	$ 75,861	$ 83,721	$ 90,216	$ 121,480	$ 137,726	$ 178,731	$ 219,823
Contributions in relation to the contractually required contributions	68,895	57,405	74,503	75,861	83,721	90,216	121,480	137,726	178,731	219,823
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Charter School's covered payroll	$ 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	$ 1,597,524
Contributions as a percentage of covered payroll covered payroll	7.47%	5.07%	6.73%	6.76%	7.57%	8.11%	9.51%	9.15%	10.49%	13.76%

* – 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution *	$ 17,121	$ 21,170	$ 25,112	$ 23,435 0	$ 25,410	$ 25,941	$ 28,316	$ 28,699	$ 37,059	$ 50,937
Contributions in relation to the contractually required contributions	17,121	21,170	25,112	23,435	25,410	25,941	28,316	28,699	37,059	50,937
Contribution deficiency (excess)	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Charter School's covered payroll	$ 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	$ 1,597,524
Contributions as a percentage of covered payroll covered payroll	1.86%	1.87%	2.27%	2.09%	2.30%	2.33%	2.22%	1.91%	2.18%	3.19%

* – 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, 2018 through June 30, 2023. 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, 2024. 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 3.50%. 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 3.93% 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-2021, and mortality assumptions for the HIS program were based on the Generational PUB-2010 with Projection Scale MP-2021.

The following changes in actuarial assumptions occurred in 2024 for FRS and HIS:

- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.

- Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 20254. The coverage election assumptions were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its October 2024 meeting.

- The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates. The previous rate was 3.65%.

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, 2025, 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 4, 2025.

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 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.

CS&L CPAs

CS&L CPAs, P.A.

September 4, 2025
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, 2025, and have issued our report thereon dated September 4, 2025.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent 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 4, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or 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.

CS&L CPAs

CS&L CPAs, P.A.

September 4, 2025
Bradenton, Florida