Royal Palm Charter School, Inc.

FINANCIAL STATEMENTS

June 30, 2026

Royal Palm Charter School, Inc.
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REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Royal Palm Charter School, Inc.
Palm Bay, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Royal Palm Charter School, Inc. (the "School"), a charter school and component unit of the District School Board of Brevard County, Florida as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the 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 School as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 9 and 30 through 31 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated September 30, 2026, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Tallahassee, FL
September 30, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The corporate officers of Royal Palm Charter School, Inc. have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2026.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2026 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The *Statement of Net Position* presents information on all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The difference between the four is reported as *net position.* Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

Fund Financial Statements

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

Fund Financial Statements (continued)

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

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

The basic governmental fund financial statements can be found on pages 12-15 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-29 of this report.

FINANCIAL SUMMARY

Financial Highlights

1 The net position of the School at June 30, 2026 was $1,731,916.
2. At June 30, 2026, the School had current assets on hand of $1,499,187.
3. The net position of the School increased $31,822 during the year ended June 30, 2026.
4. The unassigned fund balance at June 30, 2026 was $1,232,569.

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was $1,731,916 at the close of the fiscal year. A summary of the School's net position as of June 30, 2026 and 2025 is as follows:

June 30,	**2026**	2025
Assets		
Cash	**$ 1,327,446**	$ 1,275,988
Accounts receivable	**3,685**	160
Due from other agencies	**103,937**	99,076
Prepaid expenses and other assets	**64,119**	69,218
Capital assets, net	**4,999,508**	5,026,930
Total assets	**6,498,695**	6,471,372
Liabilities		
Accounts payable	**76,578**	44,223
Salaries and wages payable	**125,921**	119,334
Long-term debt	**4,564,280**	4,607,721
Total liabilities	**4,766,779**	4,771,278
Net position		
Net investment in capital assets	**435,228**	419,209
Unrestricted	**1,296,688**	1,280,885
Total net position	**$ 1,731,916**	$ 1,700,094

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2026 and 2025 is as follows:

For the years ended June 30,	**2026**	2025
Revenues		
Program revenues		
Operating grants and contributions	**$ 146,614**	$ 164,311
Capital grants and contributions	**1,059,019**	972,960
General revenues		
Local sources (FTE and other non-specific)	**2,840,058**	2,675,446
Charges for serves and other revenue	**320,503**	260,708
Total revenues	**4,366,194**	4,073,425
Expenses		
Instruction	**2,455,421**	2,276,850
Student support services	**73,934**	66,351
Instructional related technology	**120,439**	111,873
School administration	**491,778**	584,171
Fiscal services	**73,910**	-
Food services	**186,680**	184,311
Operation of plant	**389,463**	411,710
Community services	**132,308**	120,497
Debt service	**410,439**	330,694
Total expenses	**4,334,372**	4,086,457
Change in net position	**31,822**	(13,032)
Net position at beginning of year	**1,700,094**	1,713,126
Net position at end of year	**$ 1,731,916**	$ 1,700,094

The School's revenues and expenses for the years ended June 30, 2026 and 2025 increased by $292,769 and $247,915, respectively. The School had a net position of $1,731,916 and $1,700,094 at June 30, 2026 and 2025, respectively.

Governmental Funds

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of $1,296,688. The unassigned fund balance is $1,232,569. These funds will be available for the School's future ongoing operations.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets

The School's investment in capital assets as of June 30, 2026 amounts to $4,999,508 (net of accumulated depreciation and amortization). This investment in capital assets includes land, building, improvements, furniture, fixtures and equipment. As of June 30, 2026, the School had long-term debt obligations of $4,564,280 associated to its capital assets.

Activity for the year ended June 30, 2026 follows:

	Balance, July 1, 2025	Additions	Deletions	Balance, June 30, 2026
Capital assets, non-depreciable	$ 126,616	$ 76,995	$ -	$ 203,611
Capital assets, depreciable	6,134,456	83,618	-	6,218,074
Less accumulated depreciation	(1,234,116)	(188,061)	-	(1,422,177)
Total capital assets, net	$ 5,026,956	$ (27,448)	$ -	$ 4,999,508

Capital Improvement Requirements

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

Long-term Debt

Activity for the year ended June 30, 2026 follows:

	Balance, July 1, 2025	Additions	Deletions	Balance, June 30, 2026
Long-term debt	$ 4,607,721	$ -	$ (43,441)	$ 4,564,280
Total long-term debt	$ 4,607,721	$ -	$ (43,441)	$ 4,564,280

CUURENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

For the 2026–2027 fiscal year, the School's funding and financial reporting will be primarily influenced by state legislative allocations and statutory compensation mandates. Total per-student funding under the Florida Education Finance Program (FEFP) is projected to increase to approximately $9,338 per FTE. In accordance with state statutory updates, the School must allocate designated FEFP funds under the Teacher Salary Increase Allocation, prioritizing salary adjustments for veteran instructional personnel with ten or more years of experience. Management expects student enrollment to remain consistent during the October and February FTE survey periods, providing a stable operating foundation to absorb ongoing inflationary pressures in salaries and benefits, facility costs, commercial property insurance, and operational vendor contracts.

Requests for Information

This financial report is designed to provide a general overview of the Royal Palm Charter School, Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Shannon Sviben at Royal Palm Charter School, Inc. 7135 South Babcock Street, SE, Palm Bay, FL 32909.

BASIC FINANCIAL STATEMENTS

Royal Palm Charter School, Inc.
Statement of Net Position

June 30, 2026	Governmental Activities
Assets	
Current assets	
Cash	$ 1,327,446
Accounts receivable	3,685
Due from other agencies	103,937
Prepaid expenses and other current assets	64,119
Total current assets	1,499,187
Capital assets, net	
Land	126,616
Capital assets, depreciable	6,295,072
Less: accumulated depreciation	(1,422,180)
Total capital assets, net	4,999,508
Total assets	6,498,695
Deferred outflows of resources	-
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	76,578
Salaries and wages payable	125,921
Current portion of long-term debt	47,228
Total current liabilities	249,727
Non-current liabilities	
Long-term debt less current portion	4,517,052
Total non-current liabilities	4,517,052
Total liabilities	4,766,779
Deferred inflows of resources	-
Net position	
Net investment in capital assets	435,228
Unrestricted	1,296,688
Total net position	$ 1,731,916

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

Royal Palm Charter School, Inc.
Statement of Activities

Years ended June 30, 2026

Functions/programs	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions	Net (expense) revenue and changes in net position
Governmental activities:					
Instruction	$ (2,455,421)	$ -	$ -	$ -	$ (2,455,421)
Student support services	(73,934)	-	-	-	(73,934)
Instructional related technology	(120,439)	-	-	-	(120,439)
School administration	(491,778)	-	-	-	(491,778)
Fiscal services	(73,910)	-	-	-	(73,910)
Food services	(186,680)	-	146,614	-	(40,066)
Operation of plant	(389,463)	-	-	1,059,019	669,556
Community services	(132,308)	279,366	-	-	147,058
Debt service	(410,439)	-	-	-	(410,439)
Total governmental activities	$ (4,334,372)	$ 279,366	$ 146,614	$ 1,059,019	$ (2,849,373)
General revenues					
FTE and other nonspecific revenues					2,840,058
Other revenues					41,137
Total general revenues					2,881,195
Change in net position					31,822
Net position at beginning of year					1,700,094
Net position at end of year					$ 1,731,916

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

Royal Palm Charter School, Inc.
Balance Sheet – Governmental Funds

June 30, 2026	General Fund	Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 1,263,577	$ -	63,869	$ 1,327,446
Accounts receivable	3,685	-	-	3,685
Due from other agencies	-	-	103,937	103,937
Due from other fund	167,806	-	-	167,806
Prepaid expenses	64,119	-	-	64,119
Total assets	1,499,187	-	167,806	1,666,993
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	$ 1,499,187	$ -	$ 167,806	$ 1,666,993
Liabilities				
Accounts payable	$ 76,578	$ -	$ -	$ 76,578
Salaries and wages payable	125,921	-	-	125,921
Due to other fund	-	-	167,806	167,806
Total liabilities	202,499	-	167,806	370,305
Deferred inflows of resources	-	-	-	-
Fund balance				
Nonspendable, not in spendable form	64,119	-	-	64,119
Unassigned	1,232,569	-	-	1,232,569
Total fund balance	1,296,688	-	-	1,296,688
Total liabilities, deferred inflows of resources and fund balance	$ 1,499,187	$ -	$ 167,806	$ 1,666,993

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

Royal Palm Charter School, Inc.
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position

Total fund balance - governmental funds		$ 1,296,688
Amounts reported for governmental activities in the statement of net position are different because:		
Depreciable and non-depreciable capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Capital assets	6,421,688	
Less: accumulated depreciation	(1,422,180)	4,999,508
Long-term liabilities in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds.		(4,564,280)
Total net position - governmental activities		$ 1,731,916

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

Royal Palm Charter School, Inc.
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds

Year ended June 30, 2026	General Fund	Special Revenue Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues				
State capital outlay funding	$ -	$ -	$ 231,126	$ 231,126
State passed through local	2,840,058	-	149,721	2,989,779
Local sources	355,989	-	442,987	798,976
Federal sources	7,400	146,614	35,671	189,685
Charges for services and other revenues	156,443	185	-	156,628
Total revenues	3,359,890	146,799	859,505	4,366,194
Expenditures				
Current				
Instruction	2,256,728	-	186,971	2,443,699
Student support services	73,934	-	-	73,934
Instructional related technology	117,784	-	-	117,784
School administration	488,873	-	-	488,873
Fiscal services	73,910	-	-	73,910
Food services	-	186,301	-	186,301
Operation of plant	219,063	-	-	219,063
Community services	132,334	-	-	132,334
Capital outlay				
Other capital outlay	11,387	-	149,226	160,613
Debt service				
Payment of principal	-	-	43,441	43,441
Interest	-	-	410,439	410,439
Total expenditures	3,374,013	186,301	790,077	4,350,391
Excess (deficit) of revenues over expenses	(14,123)	(39,502)	69,428	15,803
Other financing sources (uses)				
Transfers in (out)	29,926	39,502	(69,428)	-
Total other financing sources (uses)	29,926	39,502	(69,428)	-
Net change in fund balance	15,803	-	-	15,803
Fund balance, beginning of year	1,280,885	-	-	1,280,885
Fund balance, end of year	$ 1,296,688	$ -	$ -	$ 1,296,688

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

Royal Palm Charter School, Inc.
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
Year ended June 30, 2026

Net change in fund balance - governmental funds		$ 15,803
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as pdepreciation expense. This is the amount by which capital outlays exceeded depreciation and amortization expense and disposals.		
Capital outlay	160,613	
Depreciation and amortization expense	(188,035)	(27,422)
Increase in long-term liabilities is revenue in the governmental funds, but a decrease or repayment of such payables reduces liabilities in the statement of net		
Principal payments on long-term liabilities	43,441	43,441
Change in net position of governmental activities		$ 31,822

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Royal Palm Charter School, Inc., (the "School") is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act and Section 1002.33, Florida Statutes. The School began operations in 2006. The governing body of the School is the not-for-profit corporation's Board of Directors, which is comprised of not less than three members. The board has determined that no component units exist that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the Brevard County School Board (the "District"). The current charter is effective until June 30, 2031 and may be renewed provided that a program review demonstrates that certain criteria addressed in Section 1002.33(7), Florida Statutes, have been successfully accomplished. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. Pursuant to Section 1002.33(8)(e), Florida Statutes, the charter school contract provides that in the event the school is dissolved or terminated, any unencumbered funds and all School property purchased with public funds automatically revert to the District. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

The School is located in Palm Bay, Florida for students from kindergarten through eighth grade. These financial statements are for the year ended June 30, 2026. For the academic year ended June 30, 2026, there were approximately 340 full-time equivalent students enrolled.

Criteria for determining if other entities are potential component units of the School which should be reported with the School's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provide for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

Basis of Presentation

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School. Governmental activities are reported separately from business-type activities, which rely on fees charged to external parties as their primary revenues. The School has no business-type activities. Any internal activity has been eliminated from the government-wide financial statements. The statements also do not include fiduciary funds.

The statement of net position (deficit) reports the School's financial position as of the end of the fiscal year. In this statement, the School's net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position.

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

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

The Statement of Activities is displayed using a net-cost format and reports the degree to which the direct expenses of a given function are offset by program revenues; direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services that are directly related to a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function; other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements are presented for governmental funds. The financial transactions of the School are reported in individual funds in the governmental fund financial statements. The governmental fund statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds. The School reports the following major governmental funds:

General Fund - the general fund is the general operating fund of the School. It is used to account for all financial resources, except those associated with grants that are restricted to specified uses.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (continued)

Special Revenue Fund - accounts for specific revenues, such as federal funding and federal lunch program funding that are legally restricted to expenditures for particular purposes.

Measurement Focus and Basis of Accounting

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

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 related cash flows. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

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 School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made.

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

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

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (continued)

Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Budgets and Budgetary Accounting

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

Cash, Cash Equivalents, and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term liquid investments with maturities of three months or less at the date of acquisition.

The School has not adopted a formal deposit and investment policy that limits the School's allowable deposits or investments and address specific types of risk. Therefore, pursuant to Florida Statutes, the School is authorized to invest in the Florida PRIME investment pool, administered by the State Board of Administration (SBA); Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. Investments in money market mutual funds that have maturities of one year or less from the date of acquisition are reported at amortized cost that is equivalent to fair value.

The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, Fair Value Measurement and Application, and other related standards which establish accounting and financial reporting standards for all investments (see Note 2).

Due from Other Governments or Agencies

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements. Prepaid assets are reported as "non-spendable" in the funds financial statements to indicate that prepaids do not represent available expendable resources.

Capital Assets

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

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

Improvements other than buildings	5–15 years
Furniture, fixtures, and equipment	5-10 years
Building	40 years

Interfund Transfers

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

Long-Term Debt and Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The School grants a specific number of paid days off per school year. Full time instructional employees are eligible to cash out unused days. Cash out will be based on the staff member's daily rate of pay (calculated by salary divided by the number of work days). Paid time off cash out will be calculated based on whole days unused with no payments for partial days. Staff is paid 80% of daily rate for cash out. If an employee does not use any days during the school year, the employee can cash out days at 100% of daily rate or rollover the days. The cash out will take place between the last required work day and the final paycheck for the school year. In order to qualify for the cash out, the staff member must work through the entire contracted year.

GASB Codification Section C60, Accounting for Compensated Absences, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated absences available to be used in future benefits years. The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and is not recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and is not recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Revenue Sources

Revenues for operations will be received primarily from the State through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the FTE students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources (continued)

equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

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

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

Net Position and Fund Balance Classification

Government-wide financial statements

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

a) *Net investment in capital assets* - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.

b) *Restricted net position* - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.

c) *Unrestricted net position* - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position and Fund Balance Classification (continued)

Fund financial statements

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

a) *Nonspendable* - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with prepaid expenses.

b) *Restricted* - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted balances at year-end pertain to bond issuance.

c) *Committed* - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at period end.

d) *Assigned* - fund balance classification that is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at period end.

e) *Unassigned* - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

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

Income Taxes

The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

Recently Issued and Implemented Pronouncements

During the year ended June 30, 2026, the following pronouncements became effective:

- *GASB Statement No. 103 – Financial Reporting Model Improvements* – Enhances Management's Discussion and Analysis for more meaningful commentary and removing boilerplate sections, disallows extraordinary items and replaces them with classifications of unusual and infrequent items, refines the presentation of proprietary fund statements, and requires clearer reporting of major component units, and redesigns budgetary comparison information.

- *GASB Statement No. 104 – Disclosure of Certain Capital Assets* – Requires separate note disclosures for specific capital asset categories such as leased assets, intangible right-to-use assets, subscription-based IT assets, and other intangible assets.

The following pronouncements will become effective in the year ending June 30, 2027:

- *GASB Statement No. 105 – Subsequent Events* – Replaces the legacy guidance in GASB Statement No. 56 to establish a modernized, standalone accounting framework for identifying, evaluating, and disclosing events that occur after the balance sheet date but before financial statements are released.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2026, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 2: CASH AND CASH EQUIVALENTS

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. The School only invests excess funds in cash and savings accounts with financial institutions.

Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The School has identified itself as a public entity. Therefore, the School's deposits must be placed with a financial institution designation by the Treasurer of the State of Florida as a "qualified public depository", as defined in Chapter 280, Florida Statutes. As of .June 30, 2026, no amount of the School's cash balances held were exposed to custodial credit risk.

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to cash and savings accounts with financial institutions that can be redeemed daily.

Note 3: CAPITAL ASSETS

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2026:

	Balance, July 1, 2025	Additions	Deletions	Balance, June 30, 2026
Capital assets, non-depreciable				
Land	$ 126,616	$ -	$ -	$ 126,616
Construction in progress	-	76,995	-	76,995
Capital assets, depreciable				
Improvements	747,799	24,524	-	772,323
Furniture, fixtures and equipment	483,460	52,242	-	535,702
Building	4,896,278	6,852	-	4,903,130
Audio visual materials	6,919	-	-	6,919
Total capital assets	6,261,072	160,613	-	6,421,685
Less accumulated depreciation and amorization				
Improvements	(384,602)	(30,783)	-	(415,385)
Furniture, fixtures and equipment	(366,239)	(33,867)	-	(400,106)
Building	(477,067)	(122,700)	-	(599,767)
Audio visual materials	(6,208)	(711)	-	(6,919)
Total accumulated depreciation and amortization	(1,234,116)	(188,061)	-	(1,422,177)
Total capital assets, net	$ 5,026,956	$ (27,448)	$ -	$ 4,999,508

For the year ended June 30, 2026, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

Year ended June 30, 2026	Depreciation
Instruction	$ 11,722
Instructional related technology	2,655
School administration	2,905
Food services	379
Operation of plant	170,400
Total depreciation and amortization expense	$ 188,061

Note 4: LONG-TERM LIABILITIES

During March 2019, the School entered into a mortgage loan with Ameris Bank with a term of 30 years. The terms of the loan provide for monthly installments of principal and interest in the amount of $19,458 at a rate of 6.75% based on a thirty-year amortization schedule. The interest rate will be adjusted every five years after the initial payment to reflect the maximum prime interest rate in the Wall Street Journal plus 1.25%. The mortgage is secured by the educational facility and land, and includes various positive, negative and financial covenants which include the requirement to maintain a cash flow to debt service coverage ratio specific to this mortgage agreement of 1.10 to 1.00. At June 30, 2026, the cash flow to debt service coverage ratio is 1.63 to 1.00 which is in compliance with the debt covenant requirement.

Note 4: LONG-TERM LIABILITIES (Continued)

During the year ended June 30, 2025, the School converted its construction loan to a permanent loan. Upon conversion, the maturity date became September 2061, principal and interest at the 3-year U.S. Treasury Bill rate (4.15% at June 30, 2026) plus 3.67% % per annum is due monthly, and certain positive, negative and financial covenants apply. The loan is secured by all assets and future revenues of the School. Financial covenants include the requirement to maintain a debt service coverage ratio of 1.10 to 1.00 and maximum debt to worth ratio of less than 10.00 to 1.00. At June 30, 2026, the School maintained a debt service coverage ratio since the conversion of the construction loan to the permanent loan of 2.48 to 1.00 which is in compliance with the financial covenants. At June 30, 2026, the School maintained a maximum debt to worth ratio of 2.64 which is in compliance with the financial covenants.

The following is a summary of changes in long-term liabilities:

	Balance, July 1, 2025	Additions	Deletions	Balance, June 30, 2026	Due in one year
Long-term debt	$ 4,607,721	$ -	$ (43,441)	$ 4,564,280	$ 47,228
Total long-term debt	$ 4,607,721	$ -	$ (43,441)	$ 4,564,280	$ 47,228

Future minimum payments for the long-term debt are as follows:

For the years ending June 30,	Principal	Interest	Total
2027	$ 47,228	$ 394,525	$ 441,753
2028	51,685	390,069	441,754
2029	56,570	385,184	441,754
2030	61,924	379,830	441,754
2031-2035	409,851	1,798,918	2,208,769
2036-2040	646,662	1,562,107	2,208,769
2041-2045	1,023,250	1,185,519	2,208,769
2046-2050	1,225,760	604,698	1,830,458
2051-2055	400,352	301,969	702,321
2056-2060	570,662	132,864	703,526
2061	70,336	-	70,336
Total	$ 4,564,280	$ 7,135,683	$ 11,699,963

Note 5: INTERFUND TRANSFERS

Amounts due from (to) funds as of June 30, 2026, consist of the following:

June 30, 2026	General Fund	Special Revenue Fund	Non-major Governmental Funds
Due from Non-major Governmental funds to General Fund for capital outlay and debt service	$ 167,806	$ -	$ (167,806)
Total due from / (due to)	$ 167,806	$ -	$ (167,806)

Note 5: INTERFUND TRANSFERS (Continued)

Interfund transfers in governmental funds for the year ended June 30, 2026, consist of the following:

For the year ended June 30, 2026	General Fund	Special Revenue Fund	Non-major Governmental Funds
Reimburse special revenue fund for grant related expenditures	$ (15,874)	$ 15,874	$ -
To reimburse general fund for capital outlay and debt service related expenditures	45,800	23,628	(69,428)
Total transfers	$ 29,926	$ 39,502	$ (69,428)

Note 6: CONTINGENCIES AND CONCENTRATIONS

The School receives substantially all of its funding from the State through the District under the FEFP, which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School participates in a number of federal, state and local grants which are subject to financial and compliance audits.

It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Pursuant to the Charter School contract with the District, the District withheld an administrative fee of 2% of the qualifying revenues of the School. For the year ended June 30, 2026, administrative fees totaled $102,945.

Note 7: RISK MANAGEMENT

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

Note 8: DEFINED CONTRIBUTION RETIREMENT PLAN

The School maintains a defined contribution retirement plan. The Royal Palm Charter School 401(k) Profit Sharing Plan and Trust (the Plan). Union employees, nonresident aliens and leased employees are specifically excluded from the Plan with eligibility requirements of greater than 21 years of age and three consecutive months of service. The School may make a discretionary matching contribution. For the year ended June 30, 2026, the School made matching contributions of $34,588 to the Plan.

REQUIRED SUPPLEMENTARY INFORMATION

Royal Palm Charter School, Inc.
Budgetary Comparison Schedule – General Fund

Year ended June 30, 2026	General Fund Original Budget	Final Budget	Actual	Variance
Revenues				
State passed through local sources	$ 2,755,709	$ 2,840,058	$ 2,840,058	$ -
Charges for services and other revenue	501,459	446,529	519,832	73,303
Total revenues	3,257,168	3,286,587	3,359,890	73,303
Expenditures				
Current				
Instruction	2,354,989	2,306,073	2,256,728	49,345
Student support services	91,573	81,573	73,934	7,639
Instruction related technology	115,880	92,667	117,784	(25,117)
School administration	530,240	493,239	488,873	4,366
Fiscal services	72,000	73,910	73,910	-
Operation of plant	203,031	247,893	219,063	28,830
Community services	19,119	31,962	132,334	
Other capital outlay	-	-	11,387	
Total current expenditures	3,386,832	3,327,317	3,374,013	65,063
Excess (deficit) of revenues over current expenditures	(129,664)	(40,730)	(14,123)	26,607
Other financing sources (uses)				
Transfers in (out)	-	-	29,926	29,926
Net change in fund balance	(129,664)	(40,730)	15,803	56,533
Fund balance at beginning of year	1,280,885	1,280,885	1,280,885	-
Fund balance at end of year	$ 1,151,221	$ 1,240,155	$ 1,296,688	$ 56,533

Notes to Budgetary Comparison Schedule

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

Royal Palm Charter School, Inc.
Budgetary Comparison Schedule – Special Revenue Fund

Year ended June 30, 2025	Special Revenue Fund			
	Original Budget	**Final Budget**	**Actual**	**Variance**
Revenues				
Federal sources	$ 171,695	$ 146,799	$ 146,799	$ -
Total revenues	171,695	146,799	146,799	-
Expenditures				
Current				
Food services	201,286	172,792	186,301	(13,509)
Total current expenditures	201,286	172,792	186,301	(13,509)
Excess of revenues over current expenditures	(29,591)	(25,993)	(39,502)	(13,509)
Other financing sources (uses)				
Transfers in (out)	-	-	39,502	(39,502)
Net change in fund balance	(29,591)	(25,993)	-	(25,993)
Fund balance at beginning of year	-	-	-	-
Fund balance (deficit) at end of year	$ (29,591)	$ (25,993)	$ -	$ (25,993)

Notes to Budgetary Comparison Schedule

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

OTHER REPORT

CARR, RIGGS & INGRAM, L.L.C.

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

Board of Directors of
Royal Palm Charter School, Inc.
Palm Bay, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Royal Palm Charter School, Inc. (the "School") as of, and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

We issued a separate management letter pursuant to Chapter 10.850, Rules of the Auditor General dated September 30, 2026.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Tallahassee, Florida
September 30, 2026

MANAGEMENT LETTER AND INTERNAL CONTROL RECOMMENDATIONS

CARR, RIGGS & INGRAM, L.L.C.

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Management Letter as Required by Section 218.39(4) Florida Statues

To the Board of Directors of
Royal Palm Charter School, Inc.
Palm Bay, Florida

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Royal Palm Charter School, Inc., Palm Bay, Florida, as of and for the year ended June 30, 2026 and have issued our report thereon dated September 30, 2026.

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 the Financial Statements Performed in Accordance with *Government Auditing Standards.* Disclosures in those reports and schedules, which are dated September 30, 2026 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 in the preceding financial audit report.

OFFICIAL TITLE

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code assigned by the Florida Department of Education of the entity is Royal Palm Charter School, Inc., 05-6509.

Management Letter as Required by Section 218.39(4) Florida Statues

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 Royal Palm Charter School, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that Royal Palm Charter School, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

TRANSPARENCY

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

ADDITIONAL MATTERS

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we do not have any such 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 Florida House of Representatives, the Florida Auditor General, the District School Board of Brevard County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Tallahassee, Florida
September 30, 2026