



Royal Palm Charter School, Inc.

FINANCIAL STATEMENTS

June 30, 2024



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REPORT





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, 2024, 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, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 8 and 29 through 30 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, 2024, 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, LLC

Tallahassee, FL
September 30, 2024



**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

Royal Palm Charter School, Inc. 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, 2024.

Financial Highlights

1. The net position of the School at June 30, 2024 was \$1,713,126.
2. At June 30, 2024, the School had current assets on hand of \$1,389,244.
3. The net position of the School increased \$71,763 during the year ended June 30, 2024.
4. The unassigned fund balance at June 30, 2024 was \$971,404.

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, 2024 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 9-10 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.

Royal Palm Charter School, Inc.
Management's Discussion and Analysis

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 11-14 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 15-28 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 \$1,713,126 at the close of the fiscal year. A summary of the School's net position as of June 30, 2024 and 2023 is as follows:

<i>June 30,</i>	2024	2023
Assets		
Cash	\$ 1,198,335	\$ 911,624
Due from other agencies	111,349	201,227
Prepaid expenses and other assets	79,560	90,850
Other receivables	-	86,639
Capital assets, net	4,520,865	3,301,242
Total assets	5,910,109	4,591,582
Liabilities		
Accounts payable	238,590	25,455
Salaries and wages payable	99,690	72,725
Long-term debt	3,858,703	2,852,039
Total liabilities	4,196,983	2,950,219
Net position		
Net investment in capital assets	662,162	449,203
Restricted	-	209,579
Unrestricted	1,050,964	982,581
Total net position	\$ 1,713,126	\$ 1,641,363

Royal Palm Charter School, Inc. Management's Discussion and Analysis

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2024 and 2023 is as follows:

<i>For the years ended June 30,</i>	2024	2023
Revenues		
Program revenues		
Operating grants and contributions	\$ 877,837	\$ 644,221
Capital grants and contributions	545,214	607,133
General revenues		
Local sources (FTE and other non-specific)	2,561,254	2,552,545
Charges for serves and other revenue	145,549	137,786
Total revenues	4,129,854	3,941,685
Expenses		
Instruction	2,406,400	2,060,145
Student support services	8,690	63,875
Instructional staff training	10,920	31,200
Instructional related technology	95,300	125,061
School administration	552,828	695,395
Food services	189,716	168,292
Operation of plant	325,137	312,697
Community services	195,492	111,373
Debt service	273,608	193,984
Total expenses	4,058,091	3,762,022
Change in net position	71,763	179,663
Net position at beginning of year	1,641,363	1,461,700
Net position at end of year	\$ 1,713,126	\$ 1,641,363

The School's revenues and expenses for the year ended June 30, 2024 increased (decreased) by \$188,169 and \$296,069, respectively. The School had a net position of \$1,713,126 and \$1,641,363 at June 30, 2024 and 2023, respectively.

Capital Improvement Requirements

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

Royal Palm Charter School, Inc.
Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

Governmental Funds

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 \$1,507,095. The unassigned fund deficit is \$971,404. These funds will be available for the School's future ongoing operations.

Capital Assets

The School's investment in capital assets as of June 30, 2024 amounts to \$4,520,865 (net of accumulated depreciation and amortization). This investment in capital assets includes land, building, improvements, furniture, fixtures and equipment. As of June 30, 2024, the School had long-term liabilities of \$3,858,703 associated to its capital assets.

Activity for the year ended June 30, 2024 follows:

	Balance, July 1, 2023	Additions	Deletions	Balance, June 30, 2024
Capital assets, non-depreciable	\$ 401,201	\$ 1,296,116	\$ (266,359)	\$ 1,430,958
Capital assets, depreciable	3,862,941	319,151	-	4,182,092
Less accumulated depreciation	(962,900)	(129,285)	-	(1,092,185)
Total capital assets, net	\$ 3,301,242	\$ 1,485,982	\$ (266,359)	\$ 4,520,865

Royal Palm Charter School, Inc.
Management's Discussion and Analysis

Long-term Debt

Activity for the year ended June 30, 2024 follows:

	Balance, July 1, 2023	Additions	Deletions	Balance, June 30, 2024
Long-term debt	\$ 2,852,039	\$ 1,045,567	\$ (38,903)	\$ 3,858,703
Total long-term debt	\$ 2,852,039	\$ 1,045,567	\$ (38,903)	\$ 3,858,703

Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the School adopted an annual budget for the year ended June 30, 2024. A budgetary comparison statement has been provided for the governmental funds.

<i>For the year ended June 30, 2024</i>	Governmental Fund		
	Original Budget	Final Budget	Actual
Revenues			
State capital outlay funding	\$ 591,695	\$ 545,214	\$ 545,214
Local sources	317,656	311,300	311,300
Federal sources	341,119	438,149	438,149
Charges for services	296,209	237,641	237,641
State passed through local sources	2,599,241	2,597,550	2,597,550
Total revenues	4,145,920	4,129,854	4,129,854
Current expenditures			
Instruction	2,195,548	2,392,196	2,392,196
Student support services	69,866	8,690	8,690
Instructional staff training	27,999	10,920	10,920
Instruction related technology	107,920	95,300	95,300
School administration	627,308	537,941	537,941
Food services	189,099	189,485	189,485
Operation of plant	394,717	225,174	225,174
Community services	25,008	195,492	195,492
Capital outlay	-	1,348,908	1,348,908
Debt service	305,864	312,511	312,511
Total current expenditures	3,943,329	5,316,617	5,316,617
Total revenues in excess of current expenditures	\$ 202,591	\$ (1,186,763)	\$ (1,186,763)

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

<i>June 30, 2024</i>	Governmental Activities
Assets	
Current assets	
Cash	\$ 1,198,335
Due from other agencies	111,349
Prepaid expenses and other current assets	79,560
Total current assets	1,389,244
Capital assets and lease assets, net	
Land	126,616
Construction in progress	1,304,342
Capital assets, depreciable	4,182,092
Less: accumulated depreciation	(1,092,185)
Total capital assets and lease assets, net	4,520,865
Total assets	5,910,109
Deferred outflows of resources	
	-
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	238,590
Salaries and wages payable	99,690
Current portion of long-term debt	1,073,816
Total current liabilities	1,412,096
Non-current liabilities	
Long-term debt less current portion	2,784,887
Total non-current liabilities	2,784,887
Total liabilities	4,196,983
Deferred inflows of resources	
	-
Net position	
Net investment in capital assets	662,162
Unrestricted	1,050,964
Total net position	\$ 1,713,126

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

Royal Palm Charter School, Inc.
Statement of Activities

Years ended June 30, 2024	Program revenues				
Functions/programs	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Net (expense) revenue and changes in net position
Governmental activities:					
Instruction	\$ (2,406,400)	\$ -	\$ 571,772	\$ -	\$ (1,834,628)
Student support services	(8,690)	-	-	-	(8,690)
Instructional staff training	(10,920)	-	-	-	(10,920)
Instructional related technology	(95,300)	-	-	-	(95,300)
School administration	(552,828)	-	-	-	(552,828)
Food services	(189,716)	-	175,711	-	(14,005)
Operation of plant	(325,137)	-	130,354	545,214	350,431
Community services	(195,492)	112,916	-	-	(82,576)
Debt service	(273,608)	-	-	-	(273,608)
Total governmental activities	\$ (4,058,091)	\$ 112,916	\$ 877,837	\$ 545,214	\$ (2,522,124)
General revenues					
FTE and other nonspecific revenues					2,561,254
Other revenues					32,633
Total general revenues					2,593,887
Change in net position					71,763
Net position at beginning of year					1,641,363
Net position at end of year					\$ 1,713,126

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

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

<i>June 30, 2024</i>	General Fund	Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 1,134,204	\$ -	\$ 64,131	\$ 1,198,335
Due from other agencies	21,175	17,298	72,876	111,349
Due from fund	46,732	-	71,119	117,851
Prepaid expenses	79,560	-	-	79,560
Total assets	1,281,671	17,298	208,126	1,507,095
Deferred outflows of resources				
	-	-	-	-
Total assets and deferred outflows of resources	\$ 1,281,671	\$ 17,298	\$ 208,126	\$ 1,507,095
Liabilities				
Accounts payable	\$ 30,464	\$ -	\$ 208,126	\$ 238,590
Salaries and wages payable	99,690	-	-	99,690
Due to fund	-	117,851	-	117,851
Total liabilities	130,154	117,851	208,126	456,131
Deferred inflows of resources				
	-	-	-	-
Fund balance (deficit)				
Nonspendable, not in spendable form	79,560	-	-	79,560
Unassigned	1,071,957	(100,553)	-	971,404
Total fund balance (deficit)	1,151,517	(100,553)	-	1,050,964
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 1,281,671	\$ 17,298	\$ 208,126	\$ 1,507,095

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 \$ 1,050,964

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	5,613,050	
Less: accumulated depreciation	<u>(1,092,185)</u>	4,520,865

Long-term liabilities in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds.

(3,858,703)

Total net position - governmental funds \$ 1,713,126

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

<i>Year ended June 30, 2024</i>	General Fund	Special Revenue Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues				
State capital outlay funding	\$ -	\$ -	\$ 545,214	\$ 545,214
State passed through local	2,597,550	-	-	2,597,550
Local sources	311,300	-	-	311,300
Federal sources	-	438,149	-	438,149
Charges for services and other revenues	145,549	92,092	-	237,641
Total revenues	3,054,399	530,241	545,214	4,129,854
Expenditures				
Current				
Instruction	1,937,113	455,083	-	2,392,196
Student support services	8,690	-	-	8,690
Instructional staff training	10,920	-	-	10,920
Instructional related technology	95,300	-	-	95,300
School administration	537,941	-	-	537,941
Food services	-	189,485	-	189,485
Operation of plant	225,174	-	-	225,174
Community services	195,492	-	-	195,492
Capital outlay				
Other capital outlay	-	-	1,348,908	1,348,908
Debt service				
Redemption of principal	-	-	38,903	38,903
Interest	-	-	273,608	273,608
Total expenditures	3,010,630	644,568	1,661,419	5,316,617
Excess (deficit) of revenues over expenses	43,769	(114,327)	(1,116,205)	(1,186,763)
Other financing sources (uses)				
Proceeds from debt	-	-	1,045,567	1,045,567
Transfers in (out)	125,167	13,774	(138,941)	-
Total other financing sources (uses)	125,167	13,774	906,626	1,045,567
Net change in fund balance	168,936	(100,553)	(209,579)	(141,196)
Fund balance, beginning of year	982,581	-	209,579	1,192,160
Fund balance (deficit), end of year	\$ 1,151,517	\$ (100,553)	\$ -	\$ 1,050,964

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, 2024

Net change in fund balance - governmental funds \$ (141,196)

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 depreciation expense. This is the amount by which capital outlays exceeded depreciation and amortization expense and disposals.

Capital outlay	1,348,908	
Depreciation and amortization expense	<u>(129,285)</u>	1,219,623

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 position.

Proceeds received on long-term liabilities	(1,045,567)	
Principal payments on long-term liabilities	<u>38,903</u>	<u>(1,006,664)</u>

Change in net position of governmental activities \$ 71,763

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, 2024. For the academic year ended June 30, 2024, there were approximately 330 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.

Royal Palm Charter School, Inc. Notes to Financial Statements

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 using the straight-line method. When capital assets are sold or disposed of, the related cost and accumulated depreciation 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 FEP 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 Accounting Pronouncements

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset --an intangible asset --and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The School did not identify any significant SBITAs that would require implementation of this standard.

Pronouncements Issued But Not Yet Effective

GASB has issued GASB Statement No. 101, *Compensating Absences*. This Statement provides guidance on the accounting and financial reporting for certain types of compensated absences including parental leave, military leave, and injury duty leave. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

GASB has issued GASB Statement No. 102, *Certain Risk Disclosures*. This statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this statement are effective for fiscal years beginning after June 15, 2024. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pronouncements Issued But Not Yet Effective (continued)

GASB has issued GASB Statement No. 103, *Financial Reporting Model Improvements*. This statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2024, 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, 2024, 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.

Royal Palm Charter School, Inc.
Notes to Financial Statements

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, 2024:

	Balance, July 1, 2023	Additions	Deletions	Balance, June 30, 2024
Capital assets, non-depreciable				
Land	\$ 126,616	\$ -	\$ -	\$ 126,616
Construction in progress	274,585	1,296,116	(266,359)	1,304,342
Capital assets, depreciable				
Improvements	396,950	300,867	-	697,817
Furniture, fixtures and equipment	410,554	18,284	-	428,838
Building	3,048,517	-	-	3,048,517
Audio visual materials	6,920	-	-	6,920
Total capital assets	4,264,142	1,615,267	(266,359)	5,613,050
Less accumulated depreciation				
Improvements	(333,384)	(25,066)	-	(358,450)
Furniture, fixtures and equipment	(307,996)	(26,622)	-	(334,618)
Building	(317,554)	(76,213)	-	(393,767)
Audio visual materials	(3,966)	(1,384)	-	(5,350)
Total accumulated depreciation	(962,900)	(129,285)	-	(1,092,185)
Total capital assets, net	\$ 3,301,242	\$ 1,485,982	\$ (266,359)	\$ 4,520,865

For the year ended June 30, 2024, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

<i>Year ended June 30, 2024</i>	Depreciation
Instruction	\$ 14,204
School administration	14,887
Food services	231
Operation of plant	99,963
Total depreciation and amortization expense	\$ 129,285

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 straight 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.

Royal Palm Charter School, Inc.
Notes to Financial Statements

Note 4: LONG-TERM LIABILITIES (Continued)

The School maintains a construction loan with potential borrowings of \$1,822,840. As of June 30, 2024, the borrowings totaled \$1,045,567 are due on demand until the conversion date of the construction loan to a permanent loan. Interest is payable monthly until the conversion date at the prime rate (8.5%) plus 1.5% as published by the Wall Street Journal. The construction loan's conversion date to a permanent loan is September 30, 2024. Upon conversion, the maturity date will be September 2061, principal and interest will be due monthly, and certain covenants will apply. The loan is secured by all assets and future revenues of the School.

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

	Balance, July 1, 2023	Additions	Deletions	Balance, June 30, 2024	Due in one year
Long-term debt	\$ 2,852,039	\$ 1,045,567	\$ (38,903)	\$ 3,858,703	\$ 1,073,816
Total long-term debt	\$ 2,852,039	\$ 1,045,567	\$ (38,903)	\$ 3,858,703	\$ 1,073,816

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

<i>For the years ending June 30,</i>	Principal	Interest	Total
2025	\$ 1,073,816	\$ 28,249	\$ 1,102,065
2026	31,130	31,130	62,260
2027	34,304	34,304	68,608
2028	37,803	37,803	75,606
2029	41,658	41,658	83,316
2030-2034	281,365	281,365	562,730
2035-2039	457,228	457,228	914,456
2040-2044	743,017	743,017	1,486,034
2045-2049	1,158,382	1,158,385	2,316,767
Total	\$ 3,858,703	\$ 2,813,139	\$ 6,671,842

Note 5: INTERFUND TRANSFERS

Amounts due from (to) funds as of June 30, 2024, consist of the following:

<i>June 30, 2024</i>	General Fund	Special Revenue Fund	Non-major Governmental Funds
Due to Non-major Governmental funds from General Fund for capital outlay and debt service	\$ (71,119)	\$ -	\$ 71,119
Due to General Fund from Special Revenue Fund for federal and VPK expenditures	117,851	(117,851)	-
Total due from / (due to)	\$ 46,732	\$ (117,851)	\$ 71,119

Royal Palm Charter School, Inc.
Notes to Financial Statements

Note 5: INTERFUND TRANSFERS (Continued)

Interfund transfers in governmental funds for the year ended June 30, 2024, consist of the following:

<i>For the year ended June 30, 2024</i>	General Fund	Special Revenue Fund	Non-major Governmental Funds
To reimburse general fund for grant related and VPK expenditures	\$ (13,774)	\$ 13,774	\$ -
To reimburse general fund for capital outlay and debt service related expenditures	138,941	-	(138,941)
Total transfers	\$ 125,167	\$ 13,774	\$ (138,941)

Note 6: CONTINGENCIES AND CONCENTRATIONS

During the year ended June 30, 2023, the School entered into a contract with Haddow Construction for the construction of a new building. Construction is schedule to be completed during the year ended June 30, 2025. The contracted amount is approximately \$1,679,000.

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, 2024, administrative fees totaled \$96,690.

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, 2024, the School made matching contributions of \$42,985 to the Plan.



REQUIRED SUPPLEMENTARY INFORMATION

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

<i>Year ended June 30, 2024</i>	General Fund			
	Original Budget	Final Budget	Actual	Variance
Revenues				
State passed through local	\$ 2,599,241	\$ 2,597,550	\$ 2,597,550	\$ -
Local sources	317,656	311,300	311,300	-
Charges for services and other revenues	148,859	145,549	145,549	-
Total revenues	3,065,756	3,054,399	3,054,399	-
Expenditures				
Current				
Instruction	2,013,484	1,937,113	1,937,113	-
Student support services	94,807	8,690	8,690	-
Instructional staff training	-	10,920	10,920	-
Instructional related technology	94,920	95,300	95,300	-
School administration	627,308	537,941	537,941	-
Operation of plant	241,094	225,174	225,174	-
Maintenance of plant	5,300	-	-	-
Community services	25,008	195,492	195,492	-
Total current expenditures	3,101,921	3,010,630	3,010,630	-
Excess (deficit) of revenues over current expenditures	(36,165)	43,769	43,769	-
Other financing sources (uses)				
Transfers in (out)	167,545	125,167	125,167	-
Net change in fund balance	131,380	168,936	168,936	-
Fund balance at beginning of year	680,981	982,581	982,581	-
Fund balance at end of year	\$ 812,361	\$ 1,151,517	\$ 1,151,517	\$ -

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

<i>Year ended June 30, 2024</i>	Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance
Revenues				
Federal sources	\$ 488,469	\$ 438,149	\$ 438,149	\$ -
Charges for services and other revenues	-	92,092	92,092	-
Total revenues	488,469	530,241	530,241	-
Expenditures				
Current				
Instruction	162,403	455,083	455,083	-
Instructional staff training	22,720	-	-	-
Instructional related technology	13,000	-	-	-
Food services	189,099	189,485	189,485	-
Total current expenditures	387,222	644,568	644,568	-
Excess of revenues over current expenditures	101,247	(114,327)	(114,327)	-
Other financing sources (uses)				
Transfers in (out)	(167,545)	13,774	13,774	-
Net change in fund balance	(66,298)	(100,553)	(100,553)	-
Fund balance at beginning of year	105,388	-	-	-
Fund balance (deficit) at end of year	\$ 39,090	\$ (100,553)	\$ (100,553)	\$ -

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

**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, 2024, 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, 2024.

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, 2024.

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.

Cary Riggs & Ingram, L.L.C.

Tallahassee, Florida
September 30, 2024



**MANAGEMENT LETTER AND
INTERNAL CONTROL RECOMMENDATIONS**

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

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, 2024 and have issued our report thereon dated September 30, 2024.

AUDITOR'S RESPONSIBILITY

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

OTHER REPORTING REQUIREMENTS

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 30, 2024, should be considered in conjunction with this management letter.

PRIOR AUDIT FINDINGS

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

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.

Cary Riggs & Ingram, L.L.C.

Tallahassee, Florida
September 30, 2024



REQUIRED COMMUNICATIONS

Required Communications

As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for the School. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, in order to express an opinion on the School's financial statements for the year ended June 30, 2024;
- 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*;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Other audit-related projects as they arise and upon request.

Required Communications

We have audited the financial statements of Royal Palm Charter School, Inc. for the year ended June 30, 2024 and have issued our report thereon dated September 30, 2024. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Auditor's responsibility under Government Auditing Standards</p>	<p>As stated in our engagement letter signed April 28, 2024 our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the School. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p>Client's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of activities, functional expenses and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p> <p>Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the School and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</p>	<p>The significant accounting policies used by the School are described in Note 1 to the financial statements. No new significant accounting policies were adopted during the fiscal year.</p> <p>We noted no transactions entered into by the School during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Further, the disclosures in the School's financial statements are neutral, consistent, and clear.</p>
<p>Required Supplementary Information <i>The auditor's responsibility for required supplementary information accompanying the financial statements, as well as any procedures performed and the results.</i></p>	<p>We applied certain limited procedures to the required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.</p>
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p>Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None noted.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	None noted.
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the School, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	See "Summary of Audit Adjustments" section.
<p>Major issues discussed with management prior to retention <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
<p>Consultations with other accountants <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	To our knowledge, there were no such consultations with other accountants.
<p>Written representations <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	See "Management Representation Letter" section.
<p>Internal control deficiencies <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.</i></p>	See "Internal Control Findings" section.
<p>Fraud and illegal acts <i>Fraud involving the School's management, or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving the School's management and any other illegal acts, unless clearly inconsequential.</i></p>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Other information in documents containing audited financial statements <i>The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p>Significant unusual accounting transactions <i>Auditor communication with governance to include auditor's views on policies and practices management used, as well as the auditor's understanding of the business purpose.</i></p>	<p>No significant unusual accounting transactions were noted during the year.</p>

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the School's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Board may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATES	AUDITOR'S CONCLUSIONS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Capital Assets	Capital assets are depreciated based on the School's estimate of their useful lives.	X	The School uses useful lives as suggested by applicable standards and guides for equipment, property and other capital assets.	The School's policies are in accordance with all applicable accounting guidelines.

Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the School and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by the School or passed (uncorrected).

Adjustments recorded by the School are included in the attached schedule.

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the School's operating environment that has been identified as playing a significant role in the School's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

Summary of Audit Adjustments

ADJUSTING JOURNAL ENTRIES

Adjusting Journal Entries JE # 1

To roll RE due to rounding

100-5100-5100	Supplies	1	
100-2720-0000	Retained Earnings		1
Total		1	1
		1	1

Adjusting Journal Entries JE # 2

PBC entry to correct prepaids and accounts payable

100-2100-0000	Accounts Payable	15,207	
100-1231-0000	Prepaid Curriculum		15,207
Total		15,207	15,207
		15,207	15,207

Adjusting Journal Entries JE # 3

PBC Entry adjust to full accrual

100-1310-0000	Land	126,616	
100-1320-0000	Improvement other than building	697,818	
100-1330-0000	Buildings and fixed equipment	3,048,517	
100-1340-0000	Furniture and fixtures	428,837	
100-1380-0000	Audio visual materials	6,920	
100-1390-0000	WIP	1,304,342	
100-5100-7800	Depreciation	14,204	
100-7300-7800	Depreciation	14,887	
100-7900-7800	Depreciation	99,963	
300-7900-4000	Proceeds from long-term debt	1,045,567	
410-7600-7800	Depreciation	231	
100-1329-0000	A/D - Improvement other than building		358,450
100-1339-0000	A/D - Buildings and fixed equipment		393,767
100-1349-0000	A/D - Furniture and fixtures		334,618
100-1389-0000	A/D - Audio visual materials		5,350
100-2720-0000	Retained Earnings		449,203
100-7300-6410	Capital FFE		4,170
100-7900-6410	Capitalized F F & E		12,369
100-7900-6700	Improvements-Non Buildings		30,408
200-2500-0000	Mortgage payable - due in more than one year		2,784,887
200-2510-0000	Mortgage payable - due in one year		28,249
200-2610-0000	Construction loan - due in one year		1,045,567
200-9200-7100	Redemption of Principal		38,903
300-7900-6700	Improvements-Non Buildings		4,100
300-7900-6720	Construction in Progress		1,296,116
410-7600-6410	Capital FFE		1,745
Total		6,787,902	6,787,902
		6,787,902	6,787,902

Summary of Audit Adjustments

ADJUSTING JOURNAL ENTRIES (Continued)

Adjusting Journal Entries JE # 4

NSLP received prior year year end. Update estimated surtax to actual - PBC.

300-3398-0000	Sales surtax	4,274	
410-3261-0000	School Lunch Reimbursement	17,298	
300-1138-0000	Due from other agencies SURTAX		4,274
410-1136-0000	Due from other agencies NSLP		17,298
Total		21,572	21,572

Adjusting Journal Entries JE # 5

To record VPK activity and write off PY receivable

100-9100-9999	Miscellaneous	86,639.00	
500-3371-0000	VPK Revenue	10,022.00	
500-5500-1300	Salaries	163,119.00	
500-5500-2200	Benefits and taxes	29,526.00	
100-1135-0000	Due from VPK		187,192
500-3371-0000	VPK Revenue		102,114
Total		289,306	289,306

Management Representation Letter

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Royal Palm Charter School

Year Round Schedule
Established July 2000

7135 S Babcock St. Palm Bay FL 32909 (321) 723-0650



CRI
2633 Centennial Boulevard – Suite – 200
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the financial statements of Royal Palm Charter School, Inc. which comprise the respective financial position of the governmental activities, and each major fund as of June 30, 2024, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 30, 2024, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter signed April 28, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Pineapple Cove Classical Academy, Inc. – Lockmar is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Royal Palm Charter School, Inc. from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Royal Palm Charter School, Inc. and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Royal Palm Charter School, Inc.'s financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the names of the Royal Palm Charter School, Inc.'s related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have taken timely and appropriate steps to remedy identified and suspected fraud or noncompliance with provisions of laws, regulations, contracts, and grant agreements that you have reported to us.
- 21) We have a process to track the status of audit findings and recommendations.
- 22) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 23) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 25) Royal Palm Charter School, Inc. has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

- 27) We have appropriately identified, recorded, and disclosed all leases in accordance with [GASBS No. 87](#).
- 28) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 30) As part of your audit, you assisted with preparation of the financial statements, disclosures and supplementary information. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements, disclosures and supplementary information.
- 31) Royal Palm Charter School, Inc. has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets; however, all capital assets have been pledged as collateral under the loan agreements outstanding at June 30, 2024.
- 32) Royal Palm Charter School, Inc. has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance other than non-compliance with certain bond covenants.
- 33) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 34) The financial statements include all fiduciary activities required by [GASBS No. 84](#), as amended.
- 35) The financial statements properly classify all funds and activities in accordance with [GASBS No. 34](#), as amended.
- 36) All funds that meet the quantitative criteria in [GASBS Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 37) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 38) Provisions for uncollectible receivables have been properly identified and recorded.
- 39) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 40) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 41) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 42) Deposits transactions are properly classified as to risk and are properly disclosed.
- 43) Capital assets, including intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 44) We have appropriately disclosed the Royal Palm Charter School, Inc.'s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

DocuSigned by:
Signature: Allison Becka
Title: 08FEB84903CC4B0...

Signed by:
Signature: Seiler
Title: E1F4A2F6ECA04F1...