

**ROWLETT ACADEMY  
(A CHARTER SCHOOL UNDER  
WILLIAM MONROE ROWLETT ACADEMY  
FOR ARTS & COMMUNICATION, INC.)**

**A CHARTER SCHOOL AND COMPONENT  
UNIT OF THE SCHOOL DISTRICT OF  
MANATEE COUNTY, FLORIDA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2025**

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
 ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Rowlett Academy  
(a charter school under William Monroe Rowlett Academy for  
Arts & Communication, Inc.), a charter school and component  
unit of the School District of Manatee County, Florida

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rowlett Academy (the "Charter School"), a charter school under William Monroe Rowlett Academy for Arts & Communication, Inc., (a charter school and component unit of the School District of Manatee County, Florida), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Charter School as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter School's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

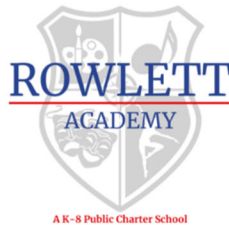
In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2025 on our consideration of the Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.

CS&L CPAs

**CS&L CPAs, P.A.**

September 25, 2025  
Bradenton, Florida

**ELEMENTARY CAMPUS**  
3500 9th Street East  
Bradenton, FL 34208  
941-708-6100  
Principal/Director: Cathy Choate, EdS  
Asst. Principal: Mihija Daniel, EdS



**MIDDLE CAMPUS**  
400 30th Avenue West  
Bradenton, FL 34205  
941-462-2001  
Principal: Rebecca Dean, MEd  
Asst. Principal: Shelbi Ericsson, MEd

**K-8 OPERATIONS**  
Director: Chuck Fradley, EdD

[www.rowlettacademy.org](http://www.rowlettacademy.org)

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## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

As management of Rowlett Academy, a charter school under William Monroe Rowlett Academy for Arts & Communication, Inc., we offer readers of the financial statements this narrative overview and analysis of the financial activities of Rowlett Academy for the fiscal year ended June 30, 2025.

Readers should review this Management’s Discussion and Analysis (MD&A) in addition to the financial statements and the accompanying notes to the financial statements to gain an understanding of Rowlett Academy as an operating entity.

### **Operating Entity**

Rowlett Academy opened as an elementary school in the 2001-2002 school year as the first full-choice magnet school in Manatee County. During 2014, the School District of Manatee County (the “School District”) approved it as a charter school which operates independently from the School District. Rowlett Academy’s charter is held by William Monroe Rowlett Academy for Arts & Communication, Inc. which incorporated as a not-for-profit corporation. The year ended June 30, 2025 is Rowlett Academy’s eleventh year of operations.

During the year ended June 30, 2017, the School District approved a separate charter for Rowlett Middle Academy which commenced operations for the 2017-18 school year. Financial transactions pertaining to Rowlett Middle Academy are not included in these financial statements.

### **Overview of the Financial Statements**

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

### **Government-wide Financial Statements**

The financial statements are designed to provide readers with a broad overview of Rowlett Academy’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Rowlett Academy’s assets plus deferred outflows less deferred inflows and liabilities, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Rowlett Academy is improving or deteriorating.

The statement of activities presents information showing how Rowlett Academy’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Rowlett Academy that are principally supported by grants and contributions not restricted to specific programs from other functions that are intended to recover a significant portion of their costs through user fees. The governmental activities of Rowlett Academy include various functions as noted in the statement of activities; however, the majority of expenses are charged to the instruction, school administration, pupil personnel services, food services, pupil transportation, community services, and operation of plant functions.

The statement of net position presents information on all of the assets, deferred outflows, deferred inflows, and liabilities as of June 30, 2025. A condensed statement of net position compared to the prior year is shown below. Total assets consists mainly of cash and capital assets used to provide services to students. The majority of the liabilities include salaries and benefits payable as well as long-term liabilities as described in Note 3. As of June 30, 2025, Rowlett Academy had total net position on the government-wide basis of \$658,465, which is the difference between total assets, plus deferred outflows, less deferred inflows and total liabilities. Unrestricted net position is a deficit of \$2,589,052 largely as a result of Rowlett Academy’s recognition of their proportionate share in the Florida Retirement System pension plans.

Condensed Statements of Net Position

	<u>Governmental Activities</u>		
	<u>2025</u>	<u>2024</u>	<u>Change</u>
Current and other assets	\$ 3,817,801	\$ 3,504,941	\$ 312,860
Right-to-use assets	122,394	148,957	(26,563)
Capital assets	3,432,983	3,255,822	177,161
Total assets	<u>7,373,178</u>	<u>6,909,720</u>	463,458
Deferred outflows	1,685,337	1,764,697	(79,360)
Current liabilities	892,008	934,922	(42,914)
Noncurrent liabilities	6,670,248	7,141,251	(471,003)
Total liabilities	<u>7,562,256</u>	<u>8,076,173</u>	(513,917)
Deferred inflows	<u>837,794</u>	<u>365,502</u>	472,292
Net position (deficit)			
Net investment in capital assets	2,822,884	2,550,074	272,810
Restricted	424,633	728,273	(303,640)
Unrestricted	(2,589,052)	(3,045,605)	456,553
Total net position (deficit)	<u>\$ 658,465</u>	<u>\$ 232,742</u>	<u>\$ 425,723</u>

Current and other assets is largely made up of cash which increased from current year operations. Deferred outflows and net pension liability, which is included in noncurrent liabilities, decreased and deferred inflows increased due to Rowlett Academy's recognition of their proportionate share of the net pension liability of the Florida Retirement System pension plans.

The statement of activities presents information showing how Rowlett Academy's net position on the government-wide basis increased by \$591,320 during the current year.

Condensed Statements of Activities

	Governmental Activities		
	2025	2024	Change
Revenues:			
Program revenues:			
Charges for services	\$ 1,156,416	\$ 1,080,790	\$ 75,626
	1,156,416	1,080,790	75,626
General revenues:			
Grants and contributions not restricted to specific programs	10,204,906	10,138,220	66,686
Sale of capital assets	22,959	-	22,959
Total general revenues	10,227,865	10,138,220	89,645
Total revenues	11,384,281	11,219,010	165,271
Expenses:			
Instruction	6,748,695	7,581,788	(833,093)
Pupil personnel services	487,900	421,777	66,123
Instructional media services	224,916	155,364	69,552
Instructional staff training	250,060	347,382	(97,322)
General administration	233,563	339,973	(106,410)
School administration	475,788	477,604	(1,816)
Professional services	254,640	280,593	(25,953)
Food services	600,649	616,306	(15,657)
Central services	73,843	95,188	(21,345)
Pupil transportation services	526,258	623,030	(96,772)
Operation of plant	714,569	691,921	22,648
Community services	191,739	226,631	(34,892)
Maintenance of plant	10,341	16,245	(5,904)
Total expenses	10,792,961	11,873,802	(1,080,841)
Change in net position	591,320	(654,792)	1,246,112
Net Position – Beginning	232,742	887,534	(654,792)
Change in accounting principle	(165,597)	-	(165,597)
Net Position – Ending	\$ 658,465	\$ 232,742	\$ 425,723

Revenues are largely a result of state and local revenue based on student allocation, tax proceeds, and revenues from food and community services. Revenues increased by \$165,271 compared to the prior year mainly due to the charges for services and grants and contributions not restricted to specific programs.

A significant portion of expenses are a result of payment of salaries and related benefits to teachers and administrative staff. Expenses also include the recognition of Rowlett Academy's proportionate share of the Florida Retirement System's net pension liability, deferred outflows and deferred inflows. During 2025, this improved net position by \$63,323 compared to a reduction of \$1,165,412 in the prior year. Rowlett Academy's expenses decreased during the year by \$1,080,841. The decrease in expense was largely due to a reduction of pension expense related to the recognition of Rowlett Academy's proportionate share in the Florida Retirement System pension plans, as discussed above.

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

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

### **Fund Financial Statements**

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

Rowlett Academy has four governmental funds: a General Fund, a Special Revenue Fund, a Capital Projects Fund and a Debt Service Fund. Rowlett Academy has elected to report all four funds as major funds.

The General Fund is the general operating fund of Rowlett Academy. The fund balance of the General Fund totaled \$2,501,478 as of June 30, 2025, which is an increase of \$383,955 over June 30, 2024 fund balance. Unassigned fund balance was \$2,371,465 as of June 30, 2025 which is available for future spending. Revenues in the General Fund increased by \$136,298 due to an increase in base funding of enrollment. Total expenditures decreased by \$105,775 compared to the prior year.

The Special Revenue Fund accounts for activities of the food service program that serves breakfast and lunches to students. The Special Revenue Fund reported a fund balance of \$424,633 at June 30, 2025 which is restricted for food services. Revenues and expenditures in the Special Revenue Fund were consistent with the prior year.

The Capital Projects Fund is used to account for all capital activity. Capital expenditures during the year totaled \$626,623.

The Debt Service Fund is used to account for all proceeds and payments, including interest, related to capital leases and long-term debt. Debt service for the current year totaled \$208,905.

The governmental fund financial statements including reconciliations to the government-wide financial statements can be found on pages 12 through 15 of this report.

Rowlett Academy also reports Custodial Funds which are a fiduciary fund type. These funds are used to account for resources of Rowlett Academy’s internal account funds and funds received from the Rowlett Family Association which are used in connection with school, student, class, and club activities. The Custodial Funds’ financial statements can be found on page 16 and 17 of this report.

**Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements commence on page 18 of this report.

**Capital Assets**

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

	Capital Assets		
	Governmental Activities		
	2025	2024	Change
Land	\$ 874,152	\$ 874,152	\$ -
Leasehold improvements	795,410	532,838	262,572
Furniture, fixtures and equipment	992,669	973,019	19,650
Vehicles	770,752	875,813	(105,061)
Total (net of depreciation)	<u>\$ 3,432,983</u>	<u>\$ 3,255,822</u>	<u>\$ 177,161</u>

See Note 2 to the financial statements for a detail of the capital asset activity for the year.

**Long-term Liabilities**

During 2024, Rowlett Academy financed the purchase of ten school buses with a note agreement totaling \$1,075,000. The outstanding balance on the note as of June 30, 2025 was \$672,211.

Rowlett Academy has recognized its proportionate share of the FRS and HIS net pension liability in accordance with GASB Statement No. 68. At June 30, 2025, the net pension liability recognized by Rowlett Academy was \$5,388,444, a decrease over prior year by \$614,975 due to investment performance in the Plan through June 30, 2024.

See Note 3 to the financial statements for more details on the long-term liabilities.

## **General Fund and Special Revenue Fund Budgets**

The Board of Directors closely monitors Rowlett Academy's financial performance relative to the budget on a monthly basis. The Board of Directors makes formal budget amendments to approve changes as they monitor the bottom line for the overall financial effect on Rowlett Academy.

For the General Fund, the original and final budgeted revenues were \$10,699,945 and \$10,856,941, respectively. Original and final budgeted expenditures were \$9,692,377 and \$9,760,909, respectively. Revenues were less than budget by \$53,704 due to expected federal funding that was not received during the year. Expenditures were less than budget by \$98,005. This was largely due to instruction personnel cost being less than initially planned.

For the Special Revenue Fund, the original and final budgeted revenues were \$554,075 and \$558,260, respectively. Original and final budgeted expenditures were \$474,347 and \$595,241, respectively. Revenues were less than budget by \$175. Expenditures were less than budget by \$9,269.

## **Economic Factors and Next Year's Budget**

The Board has approved an operating budget for the 2025-2026 academic year. The budget demonstrates that Rowlett Academy will have a budgeted surplus from operations of \$88,046 after debt service, which will be available for future spending.

## **Requests for Information**

The financial report is designed to provide a general overview of the Rowlett Academy's finances for those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Rowlett Academy at the William Monroe Rowlett Academy for Arts & Communication, Inc., 3500 9<sup>th</sup> St. E, Bradenton, Florida 34208.

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 STATEMENT OF NET POSITION  
 JUNE 30, 2025**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
Current assets	
Cash	\$ 2,804,549
Accounts and grants receivable	6,373
Receivable from Rowlett Middle Academy	876,866
Prepaid expenses	107,083
Total current assets	3,794,871
Noncurrent assets	
Deposits	22,930
Right-to-use lease assets, net of accumulated amortization	57,825
Right-to-use subscription asset, net of accumulated amortization	64,569
Capital assets, net of accumulated depreciation	3,432,983
Total noncurrent assets	3,578,307
<b>TOTAL ASSETS</b>	\$ 7,373,178
<b>DEFERRED OUTFLOWS OF RESOURCES – Pension</b>	\$ 1,685,337
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 35,595
Payable to Custodial Funds	6,952
Accrued interest	318
Accrued expenses	849,143
Total current liabilities	892,008
Noncurrent liabilities	
Due within one year	310,667
Due in more than one year	6,359,581
Total noncurrent liabilities	6,670,248
<b>TOTAL LIABILITIES</b>	\$ 7,562,256
<b>DEFERRED INFLOWS OF RESOURCES – Pension</b>	\$ 837,794
<b>NET POSITION (DEFICIT)</b>	
Net investment in capital assets	\$ 2,822,884
Restricted	424,633
Unrestricted	(2,589,052)
<b>TOTAL NET POSITION (DEFICIT)</b>	\$ 658,465

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

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
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 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2025**

	Expenses	Program Revenues			Net (Expense) Revenue and Change In Net Position Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 6,748,695	\$ -	\$ -	\$ -	\$ (6,748,695)
Pupil personnel services	487,900	-	-	-	(487,900)
Instructional media services	224,916	-	-	-	(224,916)
Instructional staff training	250,060	-	-	-	(250,060)
General administration	233,563	-	-	-	(233,563)
School administration	475,788	-	-	-	(475,788)
Professional services	254,640	-	-	-	(254,640)
Food services	600,649	558,085	-	-	(42,564)
Central services	73,843	-	-	-	(73,843)
Pupil transportation services	526,258	211,283	-	-	(314,975)
Operation of plant	714,569	-	-	-	(714,569)
Community services	191,739	387,048	-	-	195,309
Maintenance of plant	10,341	-	-	-	(10,341)
Total Governmental Activities	<u>10,792,961</u>	<u>1,156,416</u>	<u>-</u>	<u>-</u>	<u>(9,636,545)</u>
General Revenues:					
Grants and contributions not restricted to specific programs					10,204,906
Sale of capital assets					22,959
Total General Revenues					<u>10,227,865</u>
Change in net position					591,320
Net Position – Beginning of year, as originally stated					232,742
Change in accounting principle (Note 1)					(165,597)
Net Position – Beginning of year, as restated					<u>67,145</u>
Net Position – End of year					<u>\$ 658,465</u>

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

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
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 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 BALANCE SHEET – GOVERNMENTAL FUNDS  
 JUNE 30, 2025**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
<b>ASSETS</b>					
Cash	\$ 2,379,916	\$ 424,633	\$ -	\$ -	\$ 2,804,549
Accounts and grants receivable	6,373	-	-	-	6,373
Rowlett Middle Academy receivable	876,866	-	-	-	876,866
Prepaid expenses	107,083	-	-	-	107,083
Deposits	22,930	-	-	-	22,930
<b>TOTAL ASSETS</b>	<b>\$ 3,393,168</b>	<b>\$ 424,633</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,817,801</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 35,595	\$ -	\$ -	\$ -	\$ 35,595
Payable to Custodial Funds	6,952	-	-	-	6,952
Accrued expenses	849,143	-	-	-	849,143
<b>TOTAL LIABILITIES</b>	<b>891,690</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>891,690</b>
Fund Balances:					
Non-spendable	130,013	-	-	-	130,013
Restricted	-	424,633	-	-	424,633
Unassigned	2,371,465	-	-	-	2,371,465
<b>TOTAL FUND BALANCES</b>	<b>2,501,478</b>	<b>424,633</b>	<b>-</b>	<b>-</b>	<b>2,926,111</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,393,168</b>	<b>\$ 424,633</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,817,801</b>

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

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
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 RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2025**

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Fund Balances – Governmental Funds	\$	2,926,111
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>The right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds</p>		
Leases		57,825
Subscriptions		64,569
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds</p>		
		3,432,983
<p>Deferred outflows of resources related to pension are not recognized in the governmental funds; however, they are reported in the statement of net position</p>		
		1,685,337
<p>Deferred inflows of resources related to pension are not recognized in the governmental funds; however, they are reported in the statement of net position</p>		
		(837,794)
<p>Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds</p>		
Accrued interest		(318)
Note payable		(672,211)
Net pension liability		(5,388,444)
Lease liability		(60,282)
Compensated absences		(549,311)
<b>NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>658,465</u></b>

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**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES – GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
<b>REVENUES</b>					
Federal through local	\$ 865,722	\$ -	\$ -	\$ -	\$ 865,722
State through local	8,060,067	-	-	-	8,060,067
Local	1,877,448	558,085	-	-	2,435,533
Total Revenues	<u>10,803,237</u>	<u>558,085</u>	<u>-</u>	<u>-</u>	<u>11,361,322</u>
<b>EXPENDITURES</b>					
Current					
Instruction	6,425,443	-	-	-	6,425,443
Pupil personnel services	486,689	-	-	-	486,689
Instructional staff training	223,925	-	-	-	223,925
Instructional media services	250,278	-	-	-	250,278
General administration	233,858	-	-	-	233,858
School administration	418,788	-	-	-	418,788
Professional services	253,713	-	-	-	253,713
Food services	-	585,972	-	-	585,972
Central services	73,586	-	-	-	73,586
Pupil transportation services	397,111	-	-	-	397,111
Operation of plant	698,305	-	-	-	698,305
Community services	190,867	-	-	-	190,867
Maintenance of plant	10,341	-	-	-	10,341
Capital outlay	-	-	626,623	-	626,623
Debt service					
Principal payments	-	-	-	178,403	178,403
Interest and fiscal charges	-	-	-	30,502	30,502
Total Expenditures	<u>9,662,904</u>	<u>585,972</u>	<u>626,623</u>	<u>208,905</u>	<u>11,084,404</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,140,333	(27,887)	(626,623)	(208,905)	276,918
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	-	-	22,959	-	22,959
Lease asset	-	-	56,191	-	56,191
Transfers in (out)	(756,378)	-	547,473	208,905	-
Total Other Financing Sources (Uses)	<u>(756,378)</u>	<u>-</u>	<u>626,623</u>	<u>208,905</u>	<u>79,150</u>
<b>NET CHANGE IN FUND BALANCES</b>	383,955	(27,887)	-	-	356,068
<b>FUND BALANCES – Beginning of year</b>	<u>2,117,523</u>	<u>452,520</u>	<u>-</u>	<u>-</u>	<u>2,570,043</u>
<b>FUND BALANCES – End of year</b>	<u><b>\$ 2,501,478</b></u>	<u><b>\$ 424,633</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 2,926,111</b></u>

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

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 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2025**

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Net change in fund balances – statement of revenues,  
 expenditures and changes in fund balances – Governmental Funds \$ 356,068

Amounts reported for governmental activities in the  
 statement of activities are different because:

In the statement of activities, the right-to-use asset from a lease or  
 subscription agreement is amortized over its life. However, the  
 right-to-use assets are not reported in the governmental funds.

Right-to-use lease asset additions	57,321	
Less amortization	<u>(28,729)</u>	28,592
Right-to-use subscription asset additions	-	
Less amortization	<u>(55,155)</u>	(55,155)

Governmental funds report capital outlay as expenditures. However,  
 in the statement of activities, the cost of those assets is allocated  
 over their estimated useful lives and reported as depreciation  
 expense.

Capital outlay as capital asset additions	569,302	
Less current depreciation	<u>(392,141)</u>	177,161

The issuance of long-term debt provides current financial resources  
 to governmental funds, while the repayment of the principal  
 consumes the financial resources of governmental funds. Neither  
 transaction, however, has any effect on net position.

Lease liability addition		(56,191)
Principal payments on note payable		151,858
Principal payments on lease liability		26,545

Some expenses reported in the statement of activities  
 do not require the use of current financial resources  
 and, therefore, are not reported as expenditures in  
 the governmental funds.

Decrease in deferred outflows – pension		(79,360)
Increase in interest payable		(294)
Decrease in net pension liability		614,975
Increase in deferred inflows – pension		(472,292)
Increase in compensated absences		(100,587)

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 591,320</u></b>
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 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND  
 JUNE 30, 2025**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Cash	\$ 576,138
Accounts receivable	1,320
Due from Rowlett Academy	6,952
Due from Rowlett Middle Academy Custodial Funds	33,312
Prepaid expenses	15,036
TOTAL ASSETS	<b>\$ 632,758</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 3,331
Due to Rowlett Middle Academy	35,606
TOTAL LIABILITIES	38,937
<b>NET POSITION</b>	
Restricted for clubs	593,821
TOTAL LIABILITIES AND NET POSITION	<b>\$ 632,758</b>

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

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 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND  
 FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Contributions	\$ 480,913
TOTAL ADDITIONS	480,913
<b>DEDUCTIONS</b>	
Beneficiary payments to clubs	285,969
TOTAL DEDUCTIONS	285,969
Net increase (decrease) in fiduciary net position before transfers	194,944
<b>TRANSFERS</b>	
Transfers out to Rowlett Middle Academy Custodial Funds	(111,828)
TOTAL TRANSFERS	(111,828)
Net increase (decrease) in fiduciary net position	83,116
Net position – beginning of year	510,705
Net position – end of year	\$ 593,821

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NOTES TO FINANCIAL STATEMENTS

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

Rowlett Academy, a charter school under William Monroe Rowlett Academy for Arts & Communication, Inc., operates an elementary school in Bradenton, Florida and is a component unit of the School District of Manatee County, Florida (the “School District”). William Monroe Rowlett Academy for Arts & Communication, Inc. holds the charter for Rowlett Academy and is a not-for-profit organized pursuant to the Florida Not-for-Profit Corporation Act, Chapter 617, Florida Statutes, with a governing Board of Directors composed of five members.

The basic financial statements of Rowlett Academy present only the balances, activity and disclosures related to Rowlett Academy. They do not purport to, and do not present the financial position of William Monroe Rowlett Academy for Arts & Communication, Inc. as of June 30, 2025, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Rowlett Academy opened as an elementary school in the 2001–2002 school year as the first full-choice magnet school in Manatee County. During 2014, the School District approved it as a charter school which operates independently from the School District. This is Rowlett Academy’s tenth year of operations.

The general operating authority of Rowlett Academy is contained in Chapter 1002.33, Florida Statutes. Rowlett Academy operates under a charter of the sponsoring School District, the School District of Manatee County, Florida, which is effective through June 30, 2039. Rowlett Academy is considered a component unit of the School District. Upon dissolution or termination of the charter, all of the property, furnishings and equipment purchased with public funds, in part or in whole, automatically revert to the School District.

Basis of Presentation

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

Government-wide and Fund Financial Statements

Rowlett Academy’s financial statements include both government-wide (reporting on Rowlett Academy as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of Rowlett Academy. The government-wide financial statements present governmental activities only. Rowlett Academy has no business-type activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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NOTES TO FINANCIAL STATEMENTS

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Government-wide and Fund Financial Statements – Continued

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

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

The individual generic fund type in Rowlett Academy's financial statements are governmental funds. The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. Each governmental fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures. Rowlett Academy reports the following governmental funds in which have been elected to be reported as major funds:

The General Fund is the general operating fund of Rowlett Academy and is used to account for all of its non-fiduciary financial resources and any activity not related to the other governmental funds.

The Special Revenue Fund accounts for activities of the food service program that serves breakfast and lunches to students.

The Capital Projects Fund is used to account for all capital activity.

The Debt Service Fund is used to account for all proceeds and payments, including interest, related to capital leases and long-term debt.

Additionally, Rowlett Academy reports Custodial Funds which are a fiduciary fund type. The Custodial funds are used to account for resources of Rowlett Academy's internal account funds which are used in connection with school, student, class, and club activities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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NOTES TO FINANCIAL STATEMENTS

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available, if they are collected within 60 days of the end of the current period. When grant terms provide that the expenditure of resources is the determining factor for eligibility for federal, state and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

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

Cash

Rowlett Academy's cash consists of deposits with financial institutions that are insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000. At June 30, 2025 the carrying amount of Rowlett Academy's deposits was \$2,804,549 and the bank balances were \$2,846,388. Additionally, at June 30, 2025, the carrying amount of the Custodial Funds' deposits were \$576,138 and the bank balances were \$581,342. At June 30, 2025, Rowlett Academy and the Custodial Funds had deposits in excess of FDIC limits of \$2,596,388 and \$189,960, respectively.

Capital Assets

Capital assets, which include land, buildings, construction in progress, leasehold improvements and furniture, fixtures and equipment, are reported in the governmental activities column in the government-wide financial statements and are not reported in the fund financial statements. Capital assets are defined by Rowlett Academy as any asset with an initial cost of more than \$750 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 7 to 20 years for leasehold improvements and 3 to 7 years for furniture, fixtures and equipment.

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NOTES TO FINANCIAL STATEMENTS

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Deferred Outflows/Inflows of Resources

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

Fund Equity

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

*Fund Balance:* Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which Rowlett Academy is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balances are classified as follows:

- *Non-spendable:* Fund balances are reported as non-spendable when amounts cannot be spent because they are either: (1) not in spendable form (i.e., items that are not expected to be converted to cash) or (2) legally or contractually required to be maintained intact. Non-spendable fund balance at June 30, 2025 included prepaid items of \$107,083 and deposits of \$22,930, which totals \$130,013.
- *Restricted:* Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Fund balance as of June 30, 2025 was restricted for food services in the amount of \$424,633.
- *Committed:* Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraint imposed by formal action of the Board of Directors. Only the Board of Directors may modify or rescind the commitment.
- *Assigned:* Fund balances are reported as assigned when amounts are constrained by Rowlett Academy’s intent to be used for specific purposes, but are neither restricted nor committed. Currently there is no one employee authorized to assign fund balances. As a result, only the Board of Directors are authorized to make assignments.

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NOTES TO FINANCIAL STATEMENTS

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Fund Equity – Continued

- *Unassigned:* Fund balances are reported as unassigned as the residual amount when balances do not meet any of the above criterion. Rowlett Academy reports unassigned fund balance as of June 30, 2025 in the amount of \$2,371,465.

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

*Flow Assumptions:* When both restricted and unrestricted amounts of fund balance/net position are available for use for expenditures/expenses incurred, it is Rowlett Academy's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is Rowlett Academy's policy to first use committed, assigned and then unassigned.

Budgetary Information

An annual budget was adopted for Rowlett Academy on the modified accrual basis of accounting which is used to account for the activity in the General Fund and Special Revenue Fund. Appropriations are controlled at the fund level and all annual appropriations lapse at fiscal year end.

Revenue Sources

Revenues for current operations are received primarily from the School District, pursuant to the funding provisions included in Rowlett Academy's charter. In accordance with the funding provisions of the charter and Chapter 1002.33(17), Florida Statutes, Rowlett Academy reports the number of full-time equivalent (FTE) students and related data to the School District. Under the provisions of Chapter 1011.62, Florida Statutes, the School District reports the number of full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for Rowlett Academy is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by Rowlett Academy during the designated full-time equivalent student survey periods.

Rowlett Academy receives Federal, State and local awards for the enhancement of various educational programs. Awards are generally received based on applications submitted to and approved by the respective granting agencies. Rowlett Academy also receives donations and charges for services related to food services and after-care.

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NOTES TO FINANCIAL STATEMENTS

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) (which includes FRS and HIS) and additions to/deletions from FRS’s fiduciary net position have been determined on the same basis as they are reported by FRS. Investments in the cost-sharing multi-employer plan are reported at fair value (see Note 7).

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adoption of a New Accounting Standard

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

	Governmental Activities
Statement of Financial Position:	
Compensated absences at July 1, 2024 – as originally stated	\$ 283,127
Change in accounting principle:	
GASB No. 101, <i>Compensated Absences</i>	165,597
Total restatement	165,597
Compensated absences at July 1, 2024 – as restated	\$ 448,724
Statement of Activities:	
Net position at July 1, 2024 – as originally stated	\$ 232,742
Change in accounting principle:	
GASB No. 101, <i>Compensated Absences</i>	(165,597)
Total restatement	(165,597)
Net position at July 1, 2024 – as restated	\$ 67,145

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**NOTE 2 – CAPITAL ASSETS**

Capital asset activity for fiscal year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Transfers	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 874,152	\$ -	\$ -	\$ 874,152
Total capital assets, not being depreciated	<u>874,152</u>	<u>-</u>	<u>-</u>	<u>874,152</u>
Capital assets being depreciated:				
Leasehold improvements	581,957	306,542	-	888,499
Furniture, fixtures and equipment	1,547,213	259,581	-	1,806,794
Vehicles	1,082,370	3,179	-	1,085,549
Total capital assets being depreciated	<u>3,211,540</u>	<u>569,302</u>	<u>-</u>	<u>3,780,842</u>
Less accumulated depreciation for:				
Leasehold improvements	49,119	43,970	-	93,089
Furniture, fixtures and equipment	574,194	239,931	-	814,125
Vehicles	206,557	108,240	-	314,797
Total accumulated depreciation	<u>829,870</u>	<u>392,141</u>	<u>-</u>	<u>1,222,011</u>
Total capital assets, being depreciated, net	<u>2,381,670</u>	<u>177,161</u>	<u>-</u>	<u>2,558,831</u>
Governmental activities capital assets, net	<u>\$ 3,255,822</u>	<u>\$ 177,161</u>	<u>\$ -</u>	<u>\$ 3,432,983</u>

Depreciation expense in the amount of \$392,141 for the year ended June 30, 2025, was allocated to the following governmental functions:

Instruction	\$ 209,538
School administration	48,988
Food service	13,633
Pupil transportation services	108,240
Operation of plant	11,742
	<u>\$ 392,141</u>

The building, improvements, furniture, fixtures, and equipment in place prior to July 1, 2014 belong to the School District and are provided to Rowlett Academy to use free of charge.

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**NOTE 2 – CAPITAL ASSETS – CONTINUED**

Rowlett Academy also has recognized right-to-use lease assets (see Notes 3 and 4). Right-to-use lease asset activity for fiscal year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease assets				
Buses	\$ 36,925	\$ -	\$ -	\$ 36,925
Tower compactor	15,566	-	-	15,566
Copier	<u>11,949</u>	<u>57,321</u>	<u>(11,949)</u>	<u>57,321</u>
Total lease assets	64,440	57,321	(11,949)	109,812
Less accumulated amortization for:				
Buses	(17,662)	(19,263)	-	(36,925)
Tower compactor	(6,226)	(3,113)	-	(9,339)
Copier	<u>(11,319)</u>	<u>(6,353)</u>	<u>11,949</u>	<u>(5,723)</u>
Total accumulated amortization	<u>(35,207)</u>	<u>(28,729)</u>	<u>11,949</u>	<u>(51,987)</u>
Total right-to-use lease assets, net	<u>\$ 29,233</u>	<u>\$ 28,592</u>	<u>\$ -</u>	<u>\$ 57,825</u>

Amortization expense related to the lease assets for the year ended June 30, 2025 was \$28,729 and is included in interest expense in the statement of activities.

Rowlett Academy also has recognized a right-to-use subscription asset (see Notes 3 and 5). Right-to-use subscription asset activity for fiscal year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Subscription asset				
Instruction software	\$ 230,033	\$ -	\$ -	\$ 230,033
Less accumulated amortization for:				
Instruction software	<u>(110,309)</u>	<u>(55,155)</u>	<u>-</u>	<u>(165,464)</u>
Total right-to-use subscription asset, net	<u>\$ 119,724</u>	<u>\$ (55,155)</u>	<u>\$ -</u>	<u>\$ 64,569</u>

Amortization expense related to the subscription for the year ended June 30, 2025 was \$55,155 and is included in interest expense in the statement of activities.

**NOTE 3 – LONG-TERM LIABILITIES**

Note Payable

During 2022, William Monroe Rowlett Academy for Arts & Communication, Inc. entered into an agreement with a financial institution for the purchase of ten buses which were purchased during 2023 in the amount of \$1,075,000. The note bears an interest rate of 3.82%. Rowlett Academy was required to make interest only payments through October 27, 2022, which is when equal monthly installments of principal and interest of \$15,104 were required, with the final payment due on June 27, 2029.

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**NOTE 3 – LONG-TERM LIABILITIES – CONTINUED**

The note is secured by the buses with a net book value of \$767,578 as June 30, 2025. Interest expense of \$29,390 is included in pupil transportation services in the statement of activities.

Future maturities on the mortgage are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 158,439	\$ 22,809	\$ 181,248
2027	164,599	16,649	181,248
2028	170,998	10,250	181,248
2029	178,175	3,602	181,777
	<u>\$ 672,211</u>	<u>\$ 53,310</u>	<u>\$ 725,521</u>

Upon default, including failure to pay upon final maturity, the interest rate on this note shall be increased to 18.00% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**Compensated absences**

Rowlett Academy allows retiring employees to be paid their unused balance of PTO from 0% to 100%, depending on length of service. Additionally, twelve-month employees can be paid up to 480 hours of unused vacation time upon retirement.

As discussed in Note 1, the beginning balance for compensated absences was restated by \$165,597 due to the adoption of GASB No. 101.

**Other Long-Term Liabilities**

The lease liability is described in Note 4 and the net pension liability is described in Note 7.

Long-term liability activity during the year is as follows:

	Beginning Balance	Restatement of Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note payable	\$ 824,069	\$ -	\$ -	\$ (151,858)	\$ 672,211	\$ 158,439
Compensated absences	283,127	165,597	100,587 *	-	549,311	137,300
Lease liability	30,636	-	56,191	(26,545)	60,282	14,928
Net pension liability	6,003,419	-	2,186,596	(2,801,571)	5,388,444	-
	<u>\$ 7,141,251</u>	<u>\$ 165,597</u>	<u>\$ 2,343,374</u>	<u>\$ (2,979,974)</u>	<u>\$ 6,670,248</u>	<u>\$ 310,667</u>

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

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**NOTE 4 – LEASES**

During 2020, Rowlett Academy entered into an operating lease agreement for an office copier. The operating lease required monthly payments of \$330. The interest was based on Rowlett Academy's incremental borrowing rate of 3.00%. The lease term ended in August, 2024.

During 2023, Rowlett Academy entered into an operating lease agreement for a tower compactor. The operating lease requires monthly payments of \$279. The interest is based on Rowlett Academy's incremental borrowing rate of 3.25%. The lease term ends in June, 2027.

During 2024, Rowlett Academy entered into a lease agreement for buses. The operating lease requires monthly payments of \$803. The interest is based on the ten-year U.S. Treasury rate at 4.23%. The lease term ends in July, 2025.

During 2025, Rowlett Academy entered into an operating lease agreement for office copiers. The operating lease required monthly payments of \$1,141. The interest was based on Rowlett Academy's incremental borrowing rate of 7.50%. The lease term ends in December, 2029.

The lease expense for the year ended June 30, 2025 was as follows:

Lease expense	
Amortization expense by class of underlying asset	
Buses	\$ 19,254
Tower compactor	3,113
Copier	<u>6,362</u>
Total amortization expense	28,729
Interest on lease liability	<u>2,773</u>
Total lease expense	<u><u>\$ 31,502</u></u>

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**NOTE 4 – LEASES – CONTINUED**

Future minimum lease payments for leases are as follows:

Year Ending June 30	Principal	Interest	Total Payments
2026	\$ 14,928	\$ 3,727	\$ 18,655
2027	14,210	2,838	17,048
2027	11,763	1,937	13,700
2028	12,677	1,024	13,701
2029	6,704	147	6,851
	\$ 60,282	\$ 9,673	\$ 69,955

**NOTE 5 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

Effective July 1, 2023, Rowlett Middle Academy entered into a subscription-based information technology agreement for instruction software in the amount of \$161,423. The subscription agreement required an initial payment of \$110,458, with the remaining amount due during the 2024 fiscal year. The interest was based on Rowlett Academy's incremental borrowing rate of 3.25% and the liability was paid in full during 2024.

The subscription expense for the year ended June 30, 2025 was as follows:

Subscription expense	
Amortization expense by class of underlying asset	
Instruction software	\$ 55,155
Total amortization expense	55,155
Interest on subscription liability	2,021
Total subscription expense	\$ 57,176

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**NOTE 6 – SCHEDULE OF REVENUE SOURCES**

The following is a schedule of revenue sources and amounts:

Federal through local	
IDEA, Part B, Entitlement	\$ 45,253
Title II	3,511
Title IV	17,348
ESSER III	654,875
Other	144,735
	<u>865,722</u>
State through local	
Base funding of enrollment	5,428,943
ESOL	406,115
Exceptional student education	286,929
Safe Schools	91,829
Class size adjustment	926,915
Transportation	172,821
Teacher Starting Pay Increase	352,935
Mental Health	57,173
Sales Tax Block grant	102,920
Education Enrichment Share	225,101
School Improvement Plan	8327
Other	59
	<u>8,060,067</u>
Local	
After school care	387,048
Bus fees	230,715
Food services	558,085
REACH grant	30,985
Referendum Millage	1,193,426
E-Rate	9,449
Interest on investments	24,938
Other	887
	<u>2,435,533</u>
Total Revenues	<u><u>\$ 11,361,322</u></u>

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**NOTE 7 – RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM**

Plan Description

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

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

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

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

Benefits Provided

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

Plan Provisions

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

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

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

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

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**NOTE 7 – RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM – CONTINUED**

Contributions Required and Made

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

Rowlett Academy's contractually required contribution rate for the year ended June 30, 2025 was 13.57% for regular employees and 21.13% for employees in the DROP program of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the pension plan from Rowlett Academy were \$511,310 for the year ended June 30, 2025, which equaled required contributions and approximates 13.92% of covered payroll.

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

As of June 30, 2025, Rowlett Academy had employee and employer contributions totaling \$75,775 due to the FRS Plan.

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

At June 30, 2025, Rowlett Academy reported a liability of \$5,388,444 for its proportionate share of the net pension liability which includes both FRS and HIS. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Rowlett Academy's proportion of the net pension liability was based on a long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2024, Rowlett Academy's proportion was 0.008503971% for FRS and 0.013990479% for HIS which was consistent with its proportion measured in the previous year.

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**NOTE 7 – RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM – CONTINUED**

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

Pertaining to the June 30, 2024 measurement, Rowlett Academy recognized pension expense of \$559,237. Additionally, Rowlett Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 332,352	\$ -	\$ 20,264	\$ 4,030
Changes in assumptions	450,888	-	37,142	248,460
Net difference between projected and actual earnings on pension plan investments	-	218,653	-	759
Change in proportion and differences between contributions and proportionate share of contributions	141,883	300,511	80,247	65,381
Rowlett Academy contributions subsequent to the June 30, 2024 measurement date	502,071	-	120,490	-
	<u>\$ 1,427,194</u>	<u>\$ 519,164</u>	<u>\$ 258,143</u>	<u>\$ 318,630</u>

Total deferred outflows were \$1,685,337 and total deferred inflows were \$837,794. \$502,071 (FRS) and \$120,490 (HIS) reported as deferred outflows of resources related to pensions resulting from Rowlett Academy contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>FRS</u>	<u>HIS</u>
2026	\$ 74,120	\$ (28,758)
2027	74,120	(28,758)
2028	74,120	(28,758)
2029	74,120	(28,758)
2030	74,120	(28,758)
Thereafter	35,359	(37,187)
	<u>\$ 405,959</u>	<u>\$ (180,977)</u>

Actuarial Assumptions

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

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

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**NOTE 7 – RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM – CONTINUED**

Actuarial Assumptions – Continued

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

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study performed for the period July 1, 2018 – June 30, 2023. Because the HIS is funded on a pay-as-you-go basis, no experience study has been completed for that Plan, but the actuarial assumptions were based on certain results of the most recent experience study for the FRS Plan.

The long-term expected rate of return on pension plan investments consists of two building block components: 1) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2024 by the FRS Actuarial Assumption Conference; and 2) a real (in excess of inflation) return of 4.20%. The table below shows the assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>
Cash	1.0%	3.3%
Fixed income	29.0%	5.7%
Global equity	45.0%	8.6%
Real estate	12.0%	8.1%
Private equity	11.0%	12.4%
Strategic investments	2.0%	6.6%

*Discount Rate*

The discount rate used to measure the total FRS pension liability was 6.70%. The HIS rate increased from 3.65% to 3.93% in the most recent actuarial study. The HIS rate is based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**NOTE 7 – RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM – CONTINUED**

Actuarial Assumptions – Continued

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

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

Sensitivity of Rowlett Academy’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
Rowlett Academy’s proportionate share of the FRS net pension liability	\$ 5,786,530	\$ 3,289,736	\$ 1,198,141

The following presents Rowlett Academy’s proportionate share of the HIS net pension liability calculated using the discount rate of 3.93%, as well as what Rowlett Academy’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1–percent–point lower (2.93%) or 1–percentage–point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Rowlett Academy’s proportionate share of the HIS net pension liability	\$ 2,389,110	\$ 2,098,709	\$ 1,857,628

Pension Plan Fiduciary Net Position

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

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**NOTE 7 – RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM – CONTINUED**

Aggregate Information for Retirement Plans

	Deferred Outflows	Net Pension Liability	Deferred Inflows
FRS	\$ 1,427,194	\$ 3,289,736	\$ 519,164
HIS	258,143	2,098,708	318,630
	\$ 1,685,337	\$ 5,388,444	\$ 837,794

**NOTE 8 – DEFINED CONTRIBUTION RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM**

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

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

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

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

Similar to the defined benefit plan, employees are required to contribute 3% and employers are required to contribute based on class. Rowlett Academy’s contractually required contribution rate for the year ended June 30, 2025 was 13.63% for regular employees and 21.13% for employees in the DROP program of annual payroll. Contributions are directed to the individual member accounts, and individual members allocate contributions and account balances among various approved investment choices.

During 2025, Rowlett Academy employer contributions totaled \$322,072. As of June 30, 2025, Rowlett Academy had employee and employer contributions totaling \$15,542 due to the Investment Plan.

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**NOTE 9 – RELATED PARTY TRANSACTIONS**

William Monroe Rowlett Academy for Arts & Communication, Inc. operates Rowlett Academy. During the fiscal year ended June 30, 2017, a second charter school was approved by the School District for a middle school (Rowlett Middle Academy). As of June 30, 2025, Rowlett Middle Academy owed Rowlett Academy \$876,866.

As of June 2024, Rowlett Academy has a payable due to the Custodial Funds in the amount of \$6,952.

As of June 30, 2025, the Custodial Funds owed Rowlett Middle Academy \$35,606 and had a receivable from Rowlett Middle Academy Custodial Funds \$33,312. The Custodial Funds also made transfers to Rowlett Middle Academy Custodial Funds during the year of \$111,828.

**NOTE 10 – CONTINGENCIES**

When Rowlett Academy separated with the School District effective July 1, 2014, teachers and other employees of the School District that transferred to Rowlett Academy were provided the option of remaining a Rowlett Academy employee or returning to the School District after two years. For employees that remain with Rowlett Academy, Rowlett Academy initially agreed to take over compensated absences earned at the School District at the time of separation. However, the School District is currently paying past compensated absences to former employees who have retired and may plan to continue to do such going forward. Since Rowlett Academy cannot determine the extent to which Rowlett Academy will be responsible for these past absences, an estimate of the potential liability cannot be determined and has not been recognized as of June 30, 2025.

**NOTE 11 – RISK MANAGEMENT PROGRAMS**

Rowlett Academy is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees for which Rowlett Academy has purchased commercial insurance. Rowlett Academy has not had any reduction in insurance coverage and the amount of claims resulting from these risks has not exceeded insurance coverage for the last three years.

**REQUIRED SUPPLEMENTARY INFORMATION**

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 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2025**

<b>GENERAL FUND</b>				
<b>REVENUES</b>	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
Federal through local	\$ 1,005,404	\$ 895,392	\$ 865,722	\$ (29,670)
State through local	7,967,024	8,051,739	8,060,067	8,328
Local	1,727,517	1,909,810	1,877,448	(32,362)
Total Revenues	<u>10,699,945</u>	<u>10,856,941</u>	<u>10,803,237</u>	<u>(53,704)</u>
<b>EXPENDITURES</b>				
Current				
Instruction	6,513,386	6,494,657	6,425,443	69,214
Pupil personnel services	465,294	500,734	486,689	14,045
Instructional media services	198,466	234,659	223,925	10,734
Instructional staff training	267,082	272,508	250,278	22,230
General administration	249,394	224,932	233,858	(8,926)
School administration	396,265	406,580	418,788	(12,208)
Professional services	230,154	247,856	253,713	(5,857)
Central services	59,112	64,816	73,586	(8,770)
Pupil transportation services	424,537	408,504	397,111	11,393
Operation of plant	682,697	697,910	698,305	(395)
Community services	178,990	194,053	190,867	3,186
Maintenance of plant	27,000	13,700	10,341	3,359
Total Expenditures	<u>9,692,377</u>	<u>9,760,909</u>	<u>9,662,904</u>	<u>98,005</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,007,568	1,096,032	1,140,333	44,301
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers, net	(555,510)	(359,674)	(756,378)	(396,704)
<b>NET CHANGE IN FUND BALANCE</b>	452,058	736,358	383,955	(352,403)
<b>FUND BALANCE - Beginning of year</b>	<u>2,117,523</u>	<u>2,117,523</u>	<u>2,117,523</u>	<u>-</u>
<b>FUND BALANCE - End of year</b>	<u><b>\$ 2,569,581</b></u>	<u><b>\$ 2,853,881</b></u>	<u><b>\$ 2,501,478</b></u>	<u><b>\$ (352,403)</b></u>

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2025**

<b>SPECIAL REVENUE FUND</b>				
<b>REVENUES</b>	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
Local	\$ 554,075	\$ 558,260	\$ 558,085	\$ (175)
Total Revenues	<u>554,075</u>	<u>558,260</u>	<u>558,085</u>	<u>(175)</u>
<b>EXPENDITURES</b>				
Current				
Food services	474,347	595,241	585,972	9,269
Total Expenditures	<u>474,347</u>	<u>595,241</u>	<u>585,972</u>	<u>9,269</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	79,728	(36,981)	(27,887)	9,094
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers, net	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	79,728	(36,981)	(27,887)	9,094
<b>FUND BALANCE – Beginning of year</b>	<u>452,520</u>	<u>452,520</u>	<u>452,520</u>	<u>-</u>
<b>FUND BALANCE – End of year</b>	<u><b>\$ 532,248</b></u>	<u><b>\$ 415,539</b></u>	<u><b>\$ 424,633</b></u>	<u><b>\$ 9,094</b></u>

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGET

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**NOTE 1 – BUDGETARY INFORMATION**

An annual budget was adopted for Rowlett Academy on the modified accrual basis of accounting. The budget included the activities of the General Fund and Special Revenue Fund. Appropriations are controlled at the fund level and all annual appropriations lapse at fiscal year-end.

General Fund revenues were less than budget in the amount of \$53,704 due to less federal funding than expected. Expenditures were less than budget in the amount of \$98,005, largely due to instruction personnel cost being less than initially planned.

Special Revenue Fund revenues were less than budget in the amount of \$175 and expenditures were less than budget in the amount of \$9,269.

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE  
 NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM**

FLORIDA RETIREMENT SYSTEM (FRS)  
 Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Charter School's proportion of the net pension liability	0.007272350%	0.008549198%	0.009550518%	0.008934487%	0.008615791%	0.008360840%	0.009279174%	0.009730302%	0.009359324%	0.008503971%
Charter School's proportionate share of the net pension liability	\$ 939,322	\$ 2,158,679	\$ 2,824,979	\$ 2,691,114	\$ 2,967,159	\$ 3,623,711	\$ 700,936	\$ 3,620,454	\$ 3,729,394	\$ 3,289,736
Charter School's covered payroll	\$ 3,129,103	\$ 3,515,039	\$ 3,436,039	\$ 3,444,995	\$ 3,607,864	\$ 3,564,328	\$ 3,545,985	\$ 3,039,080	\$ 3,539,512	\$ 3,672,106
Charter School's proportionate share of the net pension liability as a percentage of its covered payroll	30%	61%	82%	78%	82%	102%	20%	119%	105%	90%
Plan fiduciary net position as a percentage of total pension liability	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%	96.40%	82.89%	82.38%	83.70%

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE  
 NET PENSION LIABILITY - RETIREE HEALTH INSURANCE SUBSIDY**

	RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS) Last Ten Fiscal Years									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Charter School's proportion of the net pension liability	0.010250638%	0.012931039%	0.014104187%	0.013698717%	0.013130599%	0.013242019%	0.013732061%	0.013592297%	0.014318853%	0.013990479%
Charter School's proportionate share of the net pension liability	\$ 1,045,404	\$ 1,507,059	\$ 1,508,085	\$ 1,449,888	\$ 1,469,183	\$ 1,616,829	\$ 1,684,444	\$ 1,439,641	\$ 2,274,025	\$ 2,098,708
Charter School's covered payroll	\$ 3,129,103	\$ 3,515,039	\$ 3,436,039	\$ 3,444,995	\$ 3,607,864	\$ 3,564,328	\$ 3,545,985	\$ 3,039,080	\$ 3,539,512	\$ 3,672,106
Charter School's proportionate share of the net pension liability as a percentage of its covered payroll	33%	43%	44%	42%	41%	45%	48%	47%	64%	57%
Plan fiduciary net position as a percentage of total pension liability	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%	4.80%

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 SCHEDULE OF THE CHARTER SCHOOL'S CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM**

FLORIDA RETIREMENT SYSTEM (FRS) Last Ten Fiscal Years										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution *	\$ 177,306	\$ 208,486	\$ 248,623	\$ 254,626	\$ 267,152	\$ 277,794	\$ 353,496	\$ 415,210	\$ 450,244	\$ 481,549
Contributions in relation to the contractually required contribution	177,306	208,486	248,623	254,626	267,152	277,794	353,496	415,210	450,244	481,549
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered payroll	\$ 3,129,103	\$ 3,515,039	\$ 3,436,039	\$ 3,444,995	\$ 3,607,864	\$ 3,564,328	\$ 3,545,985	\$ 3,039,080	\$ 3,539,512	\$ 3,672,106
Contributions as a percentage of covered payroll	5.67%	5.93%	7.24%	7.39%	7.40%	7.79%	9.97%	13.66%	12.72%	13.11%

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

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 SCHEDULE OF THE CHARTER SCHOOL'S CONTRIBUTIONS – RETIREE HEALTH INSURANCE SUBSIDY**

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS) Last Ten Fiscal Years										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution *	\$ 39,184	\$ 66,280	\$ 74,643	\$ 74,288	\$ 72,913	\$ 76,308	\$ 80,717	\$ 82,245	\$ 94,192	\$ 118,448
Contributions in relation to the contractually required contribution	39,184	66,280	74,643	74,288	72,913	76,308	80,717	82,245	94,192	118,448
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered payroll	\$ 3,129,103	\$ 3,515,039	\$ 3,436,039	\$ 3,444,995	\$ 3,607,864	\$ 3,564,328	\$ 3,545,985	\$ 3,039,080	\$ 3,539,512	\$ 3,672,106
Contributions as a percentage of covered payroll	1.25%	1.89%	2.17%	2.16%	2.02%	2.14%	2.28%	2.71%	2.66%	3.23%

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

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION**

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## **ACTUARIAL METHODS AND ASSUMPTIONS**

Actuarial assumptions for both defined benefit plans (FRS and HIS) are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. This HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed for the period July 1, 2018 through June 30, 2023. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS program were based on certain results of the most recent experience study for the FRS pension plan.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of July 1, 2024. Both plans used the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.93% was used to determine the total pension liability for the program. Mortality assumptions for the FRS plan was based on the PUB-2010 base table, projected generationally with Scale MP-2021, and mortality assumptions for the HIS program were based on the Generational PUB-2010 with Projection Scale MP-2021.

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

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

## **OTHER AUDITOR'S REPORTS**

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

To the Board of Directors of Rowlett Academy  
(a charter school under William Monroe Rowlett Academy for  
Arts & Communication, Inc.), a charter school and component  
unit of the School District of Manatee County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rowlett Academy, a charter school under William Monroe Rowlett Academy for Arts & Communication, Inc. (a charter school and component unit of the School District of Manatee County, Florida), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Rowlett Academy’s basic financial statements, and have issued our report thereon dated September 25, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Rowlett Academy’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 Rowlett Academy’s internal control. Accordingly, we do not express an opinion on the effectiveness of Rowlett Academy’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 have not been identified.

## Report on Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

CS&L CPAs

CS&L CPAs, P.A.

September 25, 2025  
Bradenton, Florida

## MANAGEMENT LETTER

To the Board of Directors of Rowlett Academy  
(a charter school under William Monroe Rowlett Academy for  
Arts & Communication, Inc.), a charter school and component  
unit of the School District of Manatee County, Florida

### Report on the Financial Statements

We have audited the financial statements of Rowlett Academy, a charter school under William Monroe Rowlett Academy for Arts & Communication, Inc. (a charter school and component unit of the School District of Manatee County, Florida) as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 25, 2025.

### Auditor's Responsibility

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

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 25, 2025, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity is disclosed in Note 1 of the financial statements. The school code assigned by the Florida Department of Education of the entity is 2171.

## **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 Rowlett Academy has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Rowlett Academy 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 Rowlett Academy. It is management's responsibility to monitor Rowlett Academy'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 the same.

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

## **Transparency**

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

## **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is 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 did not note any such findings.

## **Purpose of this Letter**

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

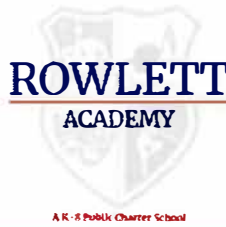
CS&L CPAs

**CS&L CPAs, P.A.**

September 25, 2025  
Bradenton, Florida

**ELEMENTARY CAMPUS**  
3500 9th Street East  
Bradenton, FL 34208  
941-708-6100  
Principal/Director: Cathy Choate, EdS  
Asst. Principal: Mihija Daniel, EdS

**K-8 OPERATIONS**  
Director: Chuck Fradley, EdD



**MIDDLE CAMPUS**  
400 30th Avenue West  
Bradenton, FL 34205  
941-462-4001  
Principal: Rebecca Dean, MEd  
Asst. Principal: Shelbi Ericsson, MEd

[www.rowlettacademy.org](http://www.rowlettacademy.org)

September 25, 2025

CS&L CPAs, P.A.  
1001 Third Avenue West, Suite 700  
Bradenton, Florida 34205

This representation letter is provided in connection with your audit of the financial statements of Rowlett Academy (the “Academy”), which comprise the respective financial position of the governmental activities, governmental funds and aggregate remaining fund information, as of June 30, 2025, 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 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 25, 2025, 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 dated May 19, 2025, 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 Academy 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 Academy is contingently liable, if any, have been properly recorded or disclosed.
- 11) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.

### **Information Provided**

- 12) 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 Academy from whom you determined it necessary to obtain audit evidence.

- d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 1) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
  - 1) 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.
  - 1) We have no knowledge of any fraud or suspected fraud that affects the Academy 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.
  - 1) We have no knowledge of any allegations of fraud or suspected fraud affecting the Academy's financial statements communicated by employees, former employees, regulators, or others.
  - 1) 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.
  - 2) 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.
  - 1) We have disclosed to you the identity of the Academy's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.

**Charter School—specific**

- 2) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 3) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented. There are none.
- 4) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit. There are none.
- 1) The Academy 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, or fund balance or net position.

- 1) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
  - 2) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.
  - 3) We have appropriately disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASBS No. 91. There are none.
  - 4) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96.
  - 5) We have appropriately measured, recorded, and disclosed compensated absences and other salary-related payments in accordance with GASBS No. 101, *Compensated Absences*.
  - 6) 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.
- 1) 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.
- 1) As part of your audit, you assisted with preparation of the financial statements and disclosures. You also assisted with determining amounts and disclosures in relation to GASB No. 87, *Leases*, and GASB No. 96, *Subscription-Based Information Technology Arrangements*. We acknowledge our responsibility as it relates to those non-audit 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 and disclosures and approved the incremental borrowing rates used for reporting under GASB No. 87 and 96.
  - 2) The Academy has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the financial statements.
  - 1) The Academy has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

- 1) 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.
- 2) The financial statements include all fiduciary activities required by GASB No. 84, as amended.
- 1) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
- 1) All funds that meet the quantitative criteria in and 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.
- 1) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (non-spendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 1) 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.
- 1) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 2) Interfund, internal, and intra-equity activity and balances have been appropriately classified and reported.
- 2) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 1) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 1) We have appropriately disclosed the Academy'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.
- 1) 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.
- 1) 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.

- 2) The Charter School has elected to treat the Capital Projects Fund and Debt Service Fund as major funds. These funds solely report revenues, expenditures, and other financing sources. There are no assets, deferred outflows, liabilities, deferred inflows, or fund balance that should be reported.
- 2) The School District of Manatee County (District) has verbally agreed to pay past sick banks earned for employees that were initially employed by the District at the inception of the Academy's charter. This matter has been disclosed in the financial statement disclosures and nothing has come to our attention that would require the Academy to recognize these past sick bank balances.

Signature: 

Title: Principal