DISCOVERY HIGH SCHOOL, INC.
LAKE ALFRED, FLORIDA
(A Component Unit of the School District of Polk County, Florida)

FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT, AND SUPPLEMENTAL INFORMATION

JUNE 30, 2026

DISCOVERY HIGH SCHOOL, INC.
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2026

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DISCOVERY HIGH SCHOOL, INC.
640 Evenhouse Road
Lake Alfred, FL 33850
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2025-2026

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Discovery High School, Inc.
Lake Alfred, Florida

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Discovery High School, Inc., as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standard applicable to financial audits contained in the Government Auditing Standards (GAS) 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 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 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 21, 2026 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 School's internal control over financial reporting and compliance.

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 21, 2026

Management's Discussion and Analysis
Discovery High School, Inc.
June 30, 2026

The corporate officers of Discovery High School, Inc. (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2026.

FINANCIAL SUMMARY

1. The net deficit of the School at June 30, 2026 was $1,974,578.
2. The School's net position improved by $156,079 for the year ended June 30, 2026.
3. The School had total assets of $25,768,353 at June 30, 2026.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

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

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

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

Fund Financial Statements

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

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 12-15 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16-24 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a School's financial position. A summary of the School's net position as of June 30, 2026 and 2025 follows:

Assets

	2026	2025
Cash	$ 164,613	$ 101,665
Due from other agencies	86,689	48,504
Other assets	25,210,000	25,615,000
Capital assets, net	307,051	232,522
Total Assets	$ 25,768,353	$ 25,997,691

Liabilities and Net Position

Accounts payable and accrued liabilities	$ 1,939,746	$ 1,920,163
Long-term debt	25,803,185	26,208,185
Total Liabilities	$ 27,742,931	$ 28,128,348
Net investment in capital assets	(286,134)	(360,663)
Restricted	-	-
Unrestricted	(1,688,444)	(1,769,994)
Total Net Position	$ (1,974,578)	$ (2,130,657)
Total Liabilities and Net Position	$ 25,768,353	$ 25,997,691

At June 30, 2026, the School's total assets were $25,768,353 and total liabilities were $27,742,931. The School reported a deficit in total net position of $1,974,578 at June 30, 2026, compared to a deficit of $2,130,657 at June 30, 2025. The School's net position improved by approximately $156,000 during the year, primarily due to current-year operating results discussed on the following page.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

REVENUES	2026	2025
Program Revenues		
Operating grants & contributions	$ 578,408	$ 891,701
Capital grants & contributions	693,042	544,319
Charges for services	65,648	23,864
General Revenues		
State and local sources	7,033,067	7,179,877
Contributions and other revenue	305,959	130,062
Total Revenues	8,676,124	8,769,823
EXPENSES		
Instruction	4,352,143	4,578,287
Instructional support services	326,567	882,731
Board	1,655	12,273
School administration	852,465	707,693
Facilities acquisition and construction	1,200,000	1,223,711
Fiscal services	162,791	151,129
Food services	326,093	239,169
Pupil transportation services	398,002	323,659
Operation of plant	740,774	642,323
Maintenance of plant	36,170	26,333
Administrative technology services	123,385	17,792
Community service	-	3,324
Total Expenses	8,520,045	8,808,424
Change in Net Position	156,079	(38,601)
Net Position (Deficit) at Beginning of Year	(2,130,657)	(2,644,362)
Prior period adjustment	-	552,306
Net Position (Deficit) at End of Year	$ (1,974,578)	$ (2,130,657)

The School's total revenues for the year ended June 30, 2026 were $8,676,124, while total expenses were $8,520,045, resulting in an increase in net position of $156,079.

Total revenues decreased from the prior year primarily due to lower FEFP funding resulting from decreased student enrollment and the conclusion of ESSER grant funding. These decreases were partially offset by increases in National School Lunch Program revenue, including the current-year allocation of activity to Discovery High School that had been recorded entirely by Discovery Academy of Lake Alfred in the prior year, and new Local Capital Improvement Revenue received during the year.

The School's total expenses decreased from the prior year, primarily due to decreases in instruction and instructional support services. These decreases were partially offset by increases in certain other operating expenses.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

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

At the end of the fiscal year, the School's governmental General Fund reported an ending fund balance deficit of $1,484,543, all of which was classified as unassigned. The deficit improved by $121,722 from the prior year ending fund balance deficit of $1,606,265.

A summary and analysis of the General Fund's revenues, expenditures and changes in fund balance for the years ended 2026 and 2025 follows:

	General Fund	
	2026	2025
Total Revenues	$ 7,339,026	$ 7,309,939
Total Expenditures	7,051,893	7,266,607
Excess (deficit) of revenues over expenditures	287,133	43,332
Transfers in (out) from funds	(165,411)	-
Net change in fund balance	121,722	43,332
Fund balance at beginning of year	(1,606,265)	(2,201,903)
Prior period adjustment	-	552,306
Fund balance at end of year	$ (1,484,543)	$ (1,606,265)

The School's General Fund revenues increased by approximately $29,000 from the prior year. General Fund expenditures decreased by approximately $215,000 from the prior year, with decreases in instruction and instructional support services. The General Fund reported an increase in fund balance of $121,722 for the year ended June 30, 2026, compared to an increase of $43,332 in the prior year. The General Fund ended the year with a fund balance deficit of $1,484,543.

CAPITAL IMPROVEMENT REQUIREMENT

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

CAPITAL ASSETS AND LONG-TERM DEBT

The School's investment in capital assets, as of June 30, 2026, amounts to $307,051 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and equipment. In September 2020, the School entered into a bond agreement for a total of $27,080,000 to construct an educational facility with Discovery Academy at Lake Alfred, Inc. as co-borrowers and guarantors. The balance at June 30, 2026 was $25,210,000. The School has recorded a right-of-use asset for the use of the facilities for the same amount.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

Enrollment for the year ended June 30, 2026, was approximately 871 students, and enrollment for the upcoming school year is expected to increase to 920 students.

Management considered currently known facts, decisions, and conditions that are expected to have a significant effect on the School's financial position or to produce significant differences from current year results of operations. Based on that evaluation, management is not aware of any such matters that require disclosure.

SCHOOL LOCATION

The School operates in the City of Lake Alfred and is located at 640 Evenhouse Road, Lake Alfred, FL 33850.

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Discovery High School, Inc., located at 640 Evenhouse Road, Lake Alfred, FL 33850.

DISCOVERY HIGH SCHOOL, INC.
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
ASSETS	
Cash and cash equivalents	$ 164,613
Due from other agencies	86,689
Capital assets, net	307,051
Right-of-use facilities	25,210,000
TOTAL ASSETS	$ 25,768,353
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable	$ 116,698
Compensated absences	203,901
Due to related party	1,619,147
Loan payable - related party	593,185
Bond payable, current portion	420,000
Bond payable - long-term portion	24,790,000
TOTAL LIABILITIES	27,742,931
NET POSITION	
Net investment in capital assets	(286,134)
Restricted for food service	-
Deficit in unrestricted	(1,688,444)
TOTAL NET POSITION (DEFICIT)	(1,974,578)
TOTAL LIABILITIES AND NET POSITION	$ 25,768,353

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

DISCOVERY HIGH SCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense)/ Revenue and Changes in Net Position
Governmental Activities:					
Instruction	$ 4,352,143	$ -	$ 285,555	$ -	$ (4,066,588)
Instructional support services	326,567	-	-	-	(326,567)
Board	1,655	-	-	-	(1,655)
School administration	852,465	-	-	-	(852,465)
Facilities acquisition and construction	1,200,000	-	-	693,042	(506,958)
Fiscal services	162,791	-	-	-	(162,791)
Food services	326,093	65,648	292,853	-	32,408
Pupil transportation services	398,002	-	-	-	(398,002)
Operation of plant	740,774	-	-	-	(740,774)
Maintenance of plant	36,170	-	-	-	(36,170)
Administrative technology services	123,385	-	-	-	(123,385)
Total Governmental Activities	$ 8,520,045	$ 65,648	$ 578,408	$ 693,042	$ (7,182,947)

GENERAL REVENUES:	
State and local sources	7,033,067
Contributions and other revenues	305,959
Total general revenues	7,339,026
Change in Net Position	156,079
NET POSITION (DEFICIT) - BEGINNING	(2,130,657)
NET POSITION (DEFICIT) - ENDING	$ (1,974,578)

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

DISCOVERY HIGH SCHOOL, INC.
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Non-Major Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 164,613	$ -	$ 164,613
Due from other agencies	86,689	-	86,689
TOTAL ASSETS	$ 251,302	$ -	$ 251,302
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 116,698	$ -	$ 116,698
Due to related party	1,619,147	-	1,619,147
TOTAL LIABILITIES	1,735,845	-	1,735,845
FUND BALANCE			
Restricted	-	-	-
Unassigned	(1,484,543)	-	(1,484,543)
TOTAL FUND BALANCE	(1,484,543)	-	(1,484,543)
TOTAL LIABILITIES AND FUND BALANCE	$ 251,302	$ -	$ 251,302

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

DISCOVERY HIGH SCHOOL, INC.
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total Fund Balance - Governmental Funds		$	(1,484,543)
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the fund.	Capital assets		703,321
	Accumulated depreciation		(396,270)
Right-of-use lease assets used in government activities are not financial resources and, therefore, are not reported in the governmental funds.	Right-of-use asset - facilities		25,210,000
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.			
	Compensated absences		(203,901)
	Bond payable		(25,210,000)
	Loan payable - related party		(593,185)
Total Net Position (Deficit) - Governmental Activities		$	(1,974,578)

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

DISCOVERY HIGH SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Non-Major Funds	Total Governmental Funds
REVENUES			
State passed through local	$ 7,033,067	$ 693,042	$ 7,726,109
Federal passed through local school district	-	285,555	285,555
National School Lunch Program	-	292,853	292,853
Charges for services	-	65,648	65,648
Contributions and other revenue	305,959	-	305,959
TOTAL REVENUES	7,339,026	1,337,098	8,676,124
EXPENDITURES			
Current:			
Instruction	3,926,016	385,955	4,311,971
Instructional support services	326,567	-	326,567
Board	1,655	-	1,655
School administration	828,754	-	828,754
Facilities acquisition and construction	506,958	693,042	1,200,000
Fiscal services	162,791	-	162,791
Food services	-	326,093	326,093
Pupil transportation services	398,002	-	398,002
Operation of plant	643,355	97,419	740,774
Maintenance of plant	36,170	-	36,170
Administrative technology services	123,385	-	123,385
Capital Outlay:			-
Instructional support services	98,240	-	98,240
TOTAL EXPENDITURES	7,051,893	1,502,509	8,554,402
Excess (Deficit) of revenues over expenditures	287,133	(165,411)	121,722
OTHER FINANCING SOURCES			
Transfers from (to) funds	(165,411)	165,411	-
Total other financing sources	(165,411)	165,411	-
Excess of revenues over expenditures	121,722	-	121,722
Fund balance (deficit) at beginning of year	(1,606,265)	-	(1,606,265)
Fund balance (deficit) at end of year	$ (1,484,543)	$ -	$ (1,484,543)

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

DISCOVERY HIGH SCHOOL, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Change in Fund Balance - Governmental Funds		$ 121,722
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
	Capital outlays	98,240
	Depreciation expense	(23,711)
Compensated absences included 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.	Net change	(40,172)
Change in Net Position of Governmental Activities		$ 156,079

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

NOTE 1 – ORGANIZATION AND OPERATIONS

Organization

Discovery High School, Inc. (the "School") is a not-for-profit corporation organized pursuant to chapter 617, Florida Statutes and the Florida Not-for-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors (the "Board"), which is composed of five members. The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Polk County, Florida, (the "School Board"). The School is considered a component unit of the School Board of Polk County, Florida and meets the definition of a governmental entity under the Governmental Accounting Standards Board ("GASB").

Charter Contract

The current charter expires June 30, 2031 and may be renewed for a maximum of an additional fifteen years by mutual written agreement between the School and the School Board. Upon the expiration of the charter, the School Board may elect not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the School in writing at least 90 days prior to the charter's expiration. However, the School Board may terminate the current charter at any time if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School Board.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board ("GASB").

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which report annual operating activities, and (3) capital grants and contributions which reports funds for acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general fund is reported as a separate column in the fund financial statements:

General Fund – is the School's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Capital Projects Fund – used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 *"Accounting and Financial Reporting for Non-Exchange Transactions"*. On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay). Any revisions to the annual budget are approved by the Board.

Cash and Cash Equivalents and Investments

The School's cash and cash equivalents consist primarily of demand deposits with financial institutions. As State of Florida Statutes and the School's policy require, all deposits be made into and held by financial institutions designated by the treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by the institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the ability to assess members of the pool should the need arise. The School's deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2026.

Due from Governmental Agencies

Due from other agency consists of amounts due from other governmental units for revenues from federal, federal through state, state and other sources.

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are $1,000 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	3-5 Years
Vehicles	10 Years
Building	39 Years

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Employees of the School are entitled to paid time off (PTO) in accordance with the School's personnel policies and applicable state regulations. PTO also includes sick leave and personal days. Any PTO which has been accrued over the school year, but has not been used, will be rolled over into the next school year. Unused PTO will not be paid out at the end of the year or upon separation from the School. In accordance with GASB Statement No. 101, *Compensated Absences*, the School recognizes a liability for leave when:

1. The leave is attributable to services already rendered by employees;
2. The leave accumulates and can be carried forward to future reporting periods;
3. It is more likely than not that the leave will be used for time off, paid in cash, or settled through other non-cash means.

The liability for compensated absences is measured using employees' pay rates in effect at the financial statement date. In the government-wide financial statements, compensated absences are reported as liabilities and expensed as incurred. In the governmental fund financial statements, the liability is recognized only for amounts that have matured as of the fiscal year end.

Government-wide Fund Net Position

Government-wide fund net position is divided into three components:

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources.
- Unrestricted – all other net position is reported in this category, including amounts due from affiliates and charter schools.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors.
- Assigned – fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance is the residual classification for the School's general fund and includes all spendable amounts not contained in the other classifications.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2026, there are no minimum fund balance requirements for any of the School's funds.

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Polk County (the "School Board") pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the 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 the School 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 the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

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

Income Taxes

The School qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Use of Estimates

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The school has one item that qualifies for reporting in this category which is the deferred amount of pension reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School has one item that qualifies for reporting in this category which is the deferred amount of pension reported in the government-wide statement of net position. A deferred amount of pension results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan. However, earnings are amortized over 5 years.

Adopted Accounting Pronouncements

Implementation of GASB Statement No. 103, Financial Reporting Model Improvements

During the current fiscal year, the School implemented Governmental Accounting Standards Board (GASB) Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance the effectiveness of financial reporting in providing information that is essential for decision-making and assessing accountability.

The implementation of GASB Statement No. 103, Financial Reporting Model Improvements resulted in changes to the presentation and related disclosures of the School's financial statements, as applicable, including requirements related to management's discussion and analysis, budgetary comparison information, and the presentation and classification of certain financial statement items.

Implementation of GASB Statement No. 104, Disclosure of Certain Capital Assets

The School evaluated and implemented the requirements of GASB Statement No. 104, Disclosure of Certain Capital Assets for the year ended June 30, 2026. The implementation of both statements did not have a material effect on the School's beginning net position or fund balance.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 21, 2026, which is the date the financial statements were available to be issued.

NOTE 3 – CAPITAL ASSETS

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

Capital Assets	Balance June 30, 2025	Additions	Disposals	Balance June 30, 2026
Furniture, fixtures and equipment	$ 605,081	$ 98,240	$ -	$ 703,321
Total Capital Assets	605,081	98,240	-	703,321
Less Accumulated Depreciation				
Furniture, fixtures and equipment	(372,559)	(23,711)	-	(396,270)
Total Accumulated Depreciation	(372,559)	(23,711)	-	(396,270)
Capital Assets, net	$ 232,522	$ 74,529	$ -	$ 307,051

Depreciation expense of assets for the year ended June 30, 2026, was $23,711 which was allocated to facilities acquisition and construction in the statement of activities.

NOTE 4 – BOND PAYABLE

In September 2023, the School entered into a loan agreement with Florida Development Finance Corporation ("the Issuer") as a co-borrower and co-guarantor with Discovery Academy of Lake Alfred, Inc. The issuer agreed to issue bonds, ("Series 2020A and Series 2020B") in the aggregate amount of $27,080,000 for the Discovery High School Project ("The Project"). The Series 2020 Project consists of the construction of an educational facility to be used by the School. Series 2020A Bonds – aggregate principal amount of $26,530,000 yields interest between 4%-5% and have various term bond due date between June 2030 – June 2055. Series 2020B Bond – principal balance of $550,000, yields interest at 4% and was paid in full by June 2024. Terms of the loan require bi-annual interest payment on June 1 and December 1 and annual principal payments on June 1.

The following schedule provides a summary of changes for the year ended June 30, 2026:

	Balance June 30, 2025	Borrowings	Repayments	Balance at June 30, 2026
Bonds payable	$ 25,615,000	$ -	$ 405,000	$ 25,210,000

Debt Covenants

Commencing with the fiscal year ending June 30, 2024, the School and Discovery Academy combined (the "Schools") must have a debt coverage ratio of at least 1.10 to 1.0. The Schools also have a cash on hand requirement for thirty and forty-five days. Both of these calculations are reported in a separate document including the combined schools financial information.

NOTE 4 – BOND PAYABLE (Continued)
Annual requirements to amortize all loan debt outstanding as of June 30, 2026 are as follows:

Fiscal Year Ending June 30,	Total	Principal	Interest
2027	$ 1,662,650	$ 420,000	$ 1,242,650
2028	1,660,850	435,000	1,225,850
2029	1,663,450	455,000	1,208,450
2030-2034	8,427,700	2,590,000	5,837,700
2035-2039	8,466,250	3,295,000	5,171,250
2040-2044	8,509,030	4,205,000	4,304,030
2045-2049	8,562,750	5,365,000	3,197,750
2050-2054	8,645,250	6,860,000	1,785,250
2055-2059	1,818,970	1,585,000	233,970
	$ 49,416,900	$ 25,210,000	$ 24,206,900

NOTE 5 – COMPENSATED ABSENCES
Changes in compensated absences during the year are as follows:

	Balance June 30, 2025	Net Change	Balance at June 30, 2026
Compensated Absences	$ 163,729	$ 40,172	$ 203,901

NOTE 6 – DUE TO/LOAN PAYABLE FROM RELATED PARTY
The School is related to Discovery Academy of Lake Alfred, Inc. ("DALA") by a common board of directors. There are several transactions that occur between the School and DALA as listed below:

- DALA purchased land with the intention of building educational facilities to lease to Discovery High School. The agreement indicates that the amount will be determined annually. Under the current agreement, rent expense charged to Discovery High School was $1,200,000 for the year ended June 30, 2026 and is included in facilities acquisition and construction in the Statement of Activities.
- DALA and Discovery High School co-signed on revenue bonds related to refinancing the debt incurred to purchase the land and constructing the new educational facilities totaling approximately $27,000,000. The land and constructed buildings remain collateral security for the bond payable. At year end, the balance on the bonds was $25,210,000. (Refer to Note 4). The School has recorded the bond payable at the remaining balance at June 30, 2026 and has recorded a right-of-use asset for the same amount.
- At June 30, 2026, the School had a due to DALA of $1,619,147 for operating costs paid by DALA including payroll and transportation costs.
- There is a loan payable to DALA for $593,185 as of June 30, 2026, for furniture and fixtures purchased by Discovery High School in its first year of operations. Currently, there is no payment plan for this amount.

NOTE 7 – CERTAIN RISKS AND CONTINGENCIES

Funding Dependency

The Charter School receives the majority of its operating revenue from per-pupil funding provided by the Polk County School Board, based on the number of full-time equivalent (FTE) students enrolled. Changes in enrollment levels or modifications to the State of Florida funding formula or allocation procedures could affect the School's ability to provide educational services or meet financial obligations. In addition, federal, state, and local grants substantially fund the School's services. Governmental programs are subject to changes in budget allocations, and adverse changes could significantly impact the School's operations.

Compliance and Uncertainty

In the normal course of operations, the Charter School receives grant funds from various federal, state, and local agencies. These programs are subject to audit by the granting authorities, the purpose of which is to ensure compliance with grant conditions. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements. No expenditures are being questioned as of June 30, 2026.

Credit Risk

It is the School's policy to maintain its cash in major banks. As of June 30, 2026, all of the School's cash funds qualified as a Public Deposit as defined in Chapter 280, Florida Statutes, and therefore are fully insured.

Insurance Coverage

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors, omissions, and natural disasters for which it carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past, and there were no reductions in coverage from the prior year. The School does not sponsor a public entity risk pool and has had no settlements that exceeded its insurance coverage.

REQUIRED SUPPLEMENTAL INFORMATION

DISCOVERY HIGH SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund Budget				
	Budgeted Amounts		Variance with Original Budget - over (under) Final Budget	Actual Amounts Budgetary (and GAAP) Basis	Variance with Final Budget - over (under) Actual Amounts
	Original Budget	Final Budget			
REVENUES					
State and local sources	$ 7,503,175	$ 6,906,316	$ (596,859)	$ 7,033,067	$ 126,751
Contributions and other income	129,500	129,500	-	305,959	176,459
TOTAL REVENUES	7,632,675	7,035,816	(596,859)	7,339,026	303,210
EXPENDITURES					
Instruction	3,790,750	3,662,798	(127,952)	3,926,016	263,218
Instructional support services	203,950	206,318	2,368	326,567	120,249
Board	38,000	38,000	-	1,655	(36,345)
School administration	876,386	800,405	(75,981)	828,754	28,349
Facilities acquisition and construction	-	-	-	506,958	506,958
Fiscal services	151,698	158,123	6,425	162,791	4,668
Pupil transportation services	321,752	326,583	4,831	398,002	71,419
Operation of plant	230,877	671,307	440,430	643,355	(27,952)
Maintenance of plant	6,120	6,120	-	36,170	30,050
Administrative technology services	167,232	167,684	452	123,385	(44,299)
Capital Outlay	-	-	-	98,240	98,240
TOTAL EXPENDITURES	5,786,765	6,037,338	250,573	7,051,893	1,014,555
Other financing sources, net	40,452	40,452	-	(165,411)	(205,863)
Excess of revenues over expenses	$ 1,886,362	$ 1,038,930	$ (847,432)	$ 121,722	$ (917,208)

See accompanying note to the required supplemental information.

DISCOVERY HIGH SCHOOL, INC.
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budgets are adopted for its governmental funds and may be amended by the Board. Certain budgets presented for the year ended June 30, 2026 were amended during the fiscal year.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

NOTE B – ACTUAL RESULTS – GENERAL FUND

	General Fund over (under)
BUDGETARY REVENUES	
Differences - original budget to final budget	
There were no significant differences between the original and final budget.	N/A
Differences - final budget to actual	
Contributions and other income - Actual revenues exceeded budget primarily due to internal fund revenues from athletics, clubs and student activities that were higher than anticipated.	$ 176,459

	General Fund over (under)
BUDGETARY EXPENDITURES	
Differences - original budget to final budget	
Operation of plant - Budgeted expenditures were increased due to higher than anticipated insurance, electricity and other facility operating costs.	$ 440,430
Differences - final budget to actual	
Facilities acquisition and construction – Actual expenditures exceeded budget due to facility rent paid to DALA that was not included in the budget.	$ 506,958
Capital Outlay - Capital outlay expenditures were incurred during the year but were not included in the budget.	$ 98,240

GSMDT GARCIA SANTA MARIA DE ARMAS TRUJILLO
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors of
Discovery High School, Inc.
Lake Alfred, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Discovery High School, Inc. (the "School"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 21, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 21, 2026

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LAW INSTITUTE

MANAGEMENT LETTER

Board of Directors of
Discovery High School, Inc.
Lake Alfred, Florida

Report on the Financial Statements
We have audited the financial statements of Discovery High School, Inc. (the "School") as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 21, 2026.

Auditor's Responsibility
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; 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 Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated September 21, 2026, should be considered in conjunction with this management letter.

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

Official Title
Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the School code assigned by the Florida Department of Education be disclosed in this management letter. The official title and school code of the entity is Discovery High school, Inc. Charter School, #508181.

Financial Condition and Management
Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School 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 the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2026 is not deteriorating.

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 noted that there were several adjustments that needed to be made to the financial statements due to the turnover of accounting personnel during the beginning of the year. These adjustments have been posted by management at year end. We noted that the School hired Building Hope during the year to assist in the day-to-day accounting of the books of the School.

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

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

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

García Santa María De Armas Trujillo, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 21, 2026