EXCELSIOR PREP CHARTER SCHOOL INC.

A CHARTER SCHOOL AND COMPONENT UNIT
OF THE HILLSBOROUGH COUNTY PUBLIC SCHOOLS, FLORIDA

BASIC FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2026

EXCELSIOR PREP CHARTER SCHOOL INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
HILLSBOROUGH COUNTY PUBLIC SCHOOLS
JUNE 30, 2026
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A CHARTER SCHOOL AND COMPONENT UNIT OF THE
HILLSBOROUGH COUNTY PUBLIC SCHOOLS
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EXCELSIOR PREP CHARTER SCHOOL INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
HILLSBOROUGH COUNTY PUBLIC SCHOOLS
SCHOOL BOARD AND ADMINISTRATION

Board of Directors

Board Chair
Dr. Matthew Schabath

Secretary/ Treasurer
Sean Franklin

Board Member
Patricia Douglas

School Administration

Principal
Stephanie Mullings

Assistant Principal
Ms. Montoya

Thomas & Company, CPA, PA
Certified Public Accountants and Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Excelsior Prep Charter School Inc.
Tampa, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Excelsior Prep Charter School Inc. (the Charter School), which is a component unit of the Hillsborough County Public Schools, Tampa, Florida as of, and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprises the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Excelsior Prep Charter School Inc. as of June 30, 2026, and the respective changes in its 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 Excelsior Prep Charter School Inc. 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.

Emphasis of Matter — Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Charter School adopted the provisions of GASB Statement No. 103, Financial Reporting Model Improvements, for the year ended June 30, 2026. Adoption affected the organization of management's discussion and analysis, the presentation of unusual or infrequent items, and the variance columns and explanations in the budgetary comparison schedules. It did not change beginning net position or beginning fund balances. Our opinions are not modified with respect to this matter.

Emphasis of Matter — Financial Condition

As discussed in Note 15 to the financial statements, the Charter School has a deficit net position, current liabilities in excess of current assets, a note payable maturing April 28, 2027, related-party advances payable on demand, a charter that expires June 30, 2027, and a facility lease that commenced July 1, 2026 with estimated first-year base rent substantially in excess of fiscal 2026 FEFP revenue. Management's plans in regard to these matters are also described in Note 15. Our opinions are not modified with respect to this matter.

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 Excelsior Prep Charter School Inc.'s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Excelsior Prep Charter School Inc.'s internal control. Accordingly, no such opinion is expressed.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 Excelsior Prep Charter School Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8-17 and 38-40 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 28, 2026, on our consideration of the Charter School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Excelsior Prep Charter School Inc'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 Excelsior Prep Charter School Inc's internal control over financial reporting and compliance.

Thomas & Company, CPA, PA
Cooper City, Florida
September 28, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

Our discussion and analysis of the Excelsior Prep Charter School Inc. (the "Charter School") financial performance provides an overview of the Charter School's financial activities for the fiscal year ended June 30, 2026. It should be read in conjunction with the Charter School's financial statements which immediately follow this discussion.

For financial reporting purposes, the Charter School is considered a component unit of the Hillsborough County Public Schools, Florida, which is a primary government entity for financial reporting.

Beginning with this fiscal year, Management's Discussion and Analysis is organized into the five sections required by GASB Statement No. 103, Financial Reporting Model Improvements: I. Overview of the Financial Statements; II. Financial Summary; III. Detailed Analyses; IV. Significant Capital Asset and Long-Term Financing Activity; and V. Currently Known Facts, Decisions or Conditions. Consistent with GASB 103, the detailed analyses in Section III compare the current year to the prior year and explain why balances and results of operations changed, rather than presenting only the dollar amounts by which they changed. Comparative amounts in the tables below are presented on a dollar-variance basis only; no percentage-change column is presented, consistent with the format used in the Charter School's prior-year MD&A.

I. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of Management's Discussion and Analysis (this section), the basic financial statements, the notes to the financial statements, and required supplementary information. The basic financial statements present two different views of the Charter School.

Government-wide financial statements. The Statement of Net Position and the Statement of Activities report information about the Charter School as a whole using the economic resources measurement focus and the accrual basis of accounting, similar to methods used by private-sector businesses. The Statement of Net Position reports all of the Charter School's assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets and long-term obligations. The Statement of Activities reports all revenues and expenses of the year regardless of when cash is received or paid. Net position — the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources — is one measure of the Charter School's financial position, and changes in net position over time indicate whether that position is improving or deteriorating. All of the Charter School's activities are governmental activities, financed principally by State funding through the Florida Education Finance Program.

Fund financial statements. The Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds report the Charter School's individual funds using the current financial resources measurement focus and the modified accrual basis of accounting. These statements report only those assets expected to be converted to cash and those liabilities expected to be paid from current resources; capital assets and long-term obligations are not reported. Revenues are recognized when measurable and available, and expenditures are recognized when the related liability is incurred and payable from current resources. The Charter School reports three governmental funds: the General Fund, its primary operating fund, and the Special Revenue Fund and Capital Projects Fund, which account for resources restricted to specified purposes.

I. OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The following table summarizes the significant differences between the two presentations:

	Government-Wide Statements	Fund Financial Statements – Governmental Funds
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short term and long term	Only current financial resources, such as cash, receivable, and accounts payable
Types of revenue/additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received	Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/deductions /expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid	Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year	Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

Relationship between the statements. Because the two presentations use different measurement focuses and bases of accounting, fund balance and the net change in fund balances will differ from net position and the change in net position. Reconciliations of these differences immediately follow each of the fund financial statements and identify the effects of capital assets and related depreciation and amortization, long-term debt principal, compensated absences, and other long-term items that are reported in the government-wide statements but not in the governmental funds.

The notes to the financial statements provide additional information essential to a full understanding of the data in the basic financial statements. Required supplementary information follows the notes and includes the budgetary comparison schedules.

Effective July 1, 2025, the Charter School adopted GASB Statement No. 103, Financial Reporting Model Improvements. The adoption resulted in changes to certain financial reporting and presentation requirements. The Charter School evaluated the effects of the new requirements and determined that the adoption did not have a material effect on its financial position or results of operations.

II. FINANCIAL SUMMARY

Net Position

The Charter School's combined net position was a deficit of $1,083,613 on June 30, 2026.

	Governmental Activities as of June 30,		
	2026	**2025**	**Variance**
Assets			
Current and Other assets	$ 528,780	$ 193,015	$ 335,765
Capital Assets, Net	185,709	201,535	(15,826)
Total Assets	**714,489**	**394,550**	**319,939**
Liabilities and Net Position			
Liabilities			
Current Liabilities	1,798,102	1,147,449	650,653
Long-term liabilities (including current portion)	-	-	-
Total Liabilities	**1,798,102**	**1,147,449**	**650,653**
Net Position			
Net Investment in Capital Assets	185,709	(867,533)	1,053,242
Restricted	385,513	-	385,513
Unrestricted	(1,654,835)	114,634	(1,769,469)
Total Net Position	**(1,083,613)**	**(752,899)**	**(330,714)**
Total Liabilities and Net Position	**$ 714,489**	**$ 394,550**	**$ 319,939**

II. FINANCIAL SUMMARY (CONTINUED)

Changes in Net Position

The following table compares the changes in the Charter School's net position from its activities for the fiscal years ended June 30, 2026, and 2025:

	Governmental Activities		
	2026	2025	Variance
Revenue:			
General Revenues			
Hillsborough County Public Schools - FEFP	$ 1,059,439	$ 1,511,727	$ (452,288)
Referendum Revenues	119,642	-	119,642
Miscellaneous Revenue	35,788	311,499	(275,711)
Program Revenues:			
Operating Grants and Contributions	238,173	486,987	(248,814)
Capital Grants and Contributions	117,253	142,553	(25,300)
Total Revenue	**1,570,295**	**2,452,766**	**(882,471)**
Expenses:			
Instruction	665,871	1,146,694	(480,823)
General Administration	128,901	178,392	(49,491)
School Administration	359,289	357,842	1,447
Fiscal Services	14,589	46,846	(32,257)
Food Services	113,110	173,962	(60,852)
Student Transportation Services	-	59,550	(59,550)
Operation of Plant	500,097	520,520	(20,423)
Maintenance of Plant	8,408	14,125	(5,717)
Interest on Long-Term Debt	94,918	84,213	10,705
Unallocated Depreciation Expense	15,826	54,546	(38,720)
Total Expenses	**1,901,009**	**2,636,690**	**(735,681)**
Excess (deficiency) before Unusual/Infrequent Items and Transfers	**(330,714)**	**(183,924)**	**(146,790)**
Unusual or Infrequent Item	-	-	-
Change in Net Position	**(330,714)**	**(183,924)**	**(146,790)**
Net Position - Beginning of the year	(752,899)	(568,975)	(183,924)
Net Position - End of the year	**$ (1,083,613)**	**$ (752,899)**	**$ (330,714)**

III. DETAILED ANALYSES

A. GOVERNMENT-WIDE FINANCIAL POSITION AND RESULTS OF OPERATIONS

Net position decreased $330,714, or 43.9%, to a deficit of $1,083,613 at June 30, 2026. Unrestricted net position decreased $1,769,469, from $114,634 to a deficit of $1,654,835. Net investment in capital assets increased $1,053,242, from a deficit of $867,533 to $185,709. Restricted net position increased $385,513 from nil. Related note payable of $773,594 and due to other agencies of $950,752 are classified entirely as current at June 30, 2026 and are not deducted in arriving at net investment in capital assets. The Charter School reported no deferred outflows of resources or deferred inflows of resources at June 30, 2026 or 2025.

Current assets increased $335,765 to $528,780. Cash and cash equivalents decreased $51,753 to $87,944. Accounts receivable decreased $7,082 to $24,903. Deposit receivable increased $21,352 to $42,685. Due from other agencies was $373,248 at June 30, 2026, with no corresponding balance at June 30, 2025. Noncurrent assets were $185,709, down $15,826 from $201,535.

Total liabilities increased $650,653, or 56.7%, to $1,798,102. The increase was primarily attributable to a $628,137 increase in amounts due to other agencies and a $27,141 increase in the note payable. During fiscal 2026 the note payable and amounts due to related charter schools were reclassified from noncurrent to current because the note matures April 28, 2027 and the related-party advances have no stated maturity and are payable on demand. The reclassification did not change total liabilities. Those balances are financing liabilities and are not reported in the governmental funds.

Total revenues decreased $882,471, or 36.0%, to $1,570,295. Florida Education Finance Program funding received through the District decreased $452,288 to $1,059,439 and remains the primary general-revenue source. Referendum revenues of $119,642 were recognized in fiscal 2026. Miscellaneous revenues decreased $275,711 to $35,788. Operating grants and contributions decreased $248,814 to $238,173. Capital grants and contributions decreased $25,300 to $117,253.

Total expenses decreased $735,681, or 27.9%, to $1,901,009. Instruction remained the largest function at 35.0% of total expenses and decreased $480,823 to $665,871. General administration decreased $49,491 to $128,901. School administration increased $1,447 to $359,289. Fiscal services decreased $32,257 to $14,589. Food services decreased $60,852 to $113,110. Student transportation services decreased $59,550 to nil. Operation of plant decreased $20,423 to $500,097. Maintenance of plant decreased $5,717 to $8,408. Unallocated depreciation expense decreased $38,720 to $15,826. These decreases were partially offset by an increase in interest on long-term debt of $10,705 to $94,918.

The deficiency of revenues under expenses produced a decrease in net position of $330,714, compared with a decrease of $183,924 in fiscal 2025. There were no unusual or infrequent items in either year.

B. INDIVIDUAL MAJOR FUNDS

At June 30, 2026, the Charter School's governmental funds reported a combined fund balance of $461,974. The General Fund reported a fund balance of $95,147, consisting of $42,685 of nonspendable fund balance related to deposits receivable, $18,686 restricted, and an unassigned fund balance of $33,776.

III. DETAILED ANALYSES (CONTINUED)

B. INDIVIDUAL MAJOR FUNDS (CONTINUED)

The Special Revenue Fund reported restricted fund balance of $366,827, and the Capital Projects Fund reported no fund balance. Combined fund balances increased $337,737 from the prior year, from $124,237 at June 30, 2025 to $461,974 at June 30, 2026.

General Fund. The General Fund is the Charter School's primary operating fund. At June 30, 2026, the General Fund reported a fund balance of $95,147, consisting of $42,685 of nonspendable fund balance related to deposits receivable, $18,686 restricted, and an unassigned fund balance of $33,776. The General Fund balance increased $315,364 from the beginning deficit of $220,217. Expenditures of $1,852,357, including debt-service principal of $297,574 and interest of $94,918, exceeded revenues of $1,214,869. Other financing sources totaled $952,852, consisting of loan proceeds of $324,715 and proceeds from other agencies of $628,137. As a result, the General Fund reported a net increase in fund balance of $315,364 during fiscal 2026.

Special Revenue Fund. The Special Revenue Fund accounts for federal and other awards restricted by grant agreement to specified purposes, including food service and operating grants. At June 30, 2026, the Special Revenue Fund reported a restricted fund balance of $366,827. Special Revenue Fund balance increased $22,373, resulting from revenues of $238,173 less expenditures of $215,800. The expenditures included $113,110 for food services and $102,690 for instruction. The remaining balance is represented by amounts due from the General Fund and is not available for unrestricted General Fund operations.

Capital Projects Fund. The Capital Projects Fund reported no fund balance at June 30, 2026. Capital outlay resources of $117,253 were used for qualifying capital expenditures and related plant operations during the fiscal year.

The Charter School evaluated transactions and events occurring during fiscal year 2026 and determined that there were no unusual or infrequent items requiring separate presentation or disclosure under GASB Statement No. 103.

C. SIGNIFICANT POLICY CHANGES AND ECONOMIC FACTORS

Student membership was a significant economic factor affecting fiscal 2026 results. The adopted budget was based on 137 unweighted FTE, while actual membership was 135. FEFP revenue of $1,059,439 was $90,821 below the prior budgeted amount of $1,150,260. Staffing and other operating costs were reduced, but these reductions were not sufficient to avoid a $330,714 decrease in net position. No millage or tax-rate change applies to the Charter School, and the capitalization policy was unchanged. On August 1, 2025, the Charter School executed a 25-year facility lease commencing July 1, 2026. General Fund expenditures of $1,852,357 exceeded the adopted fund-level budget of $1,390,651 by $461,706. Special Revenue Fund expenditures of $215,800 exceeded the adopted fund-level budget of $151,369 by $64,431. Effective July 1, 2025, the Charter School adopted GASB Statement No. 103. The adoption did not change beginning net position or beginning fund balances, and no unusual or infrequent items occurred.

IV. SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Assets

At June 30, 2026, the Charter School reported capital assets with a net carrying amount of $185,709 (cost $571,435 less accumulated depreciation $385,726). There were no additions or disposals during fiscal 2026. Depreciation expense was $15,826 (fiscal 2025: $54,546). The Charter School's capital assets consist of building and improvements of $241,034 and furniture, fixtures, equipment, and software of $330,401.

Long-Term Financing

The Charter School's financing obligations consist of a line-of-credit note payable, amounts due to other agencies, and compensated absences. At June 30, 2026, the note payable totaled $773,594, due to other agencies totaled $950,752, and compensated absences totaled $6,950. Those obligations totaled $1,731,296 and are reported entirely as current liabilities. Noncurrent liabilities were nil at June 30, 2026.

Net investment in capital assets of $185,709 equals capital assets, net. The note payable of $773,594 and due to other agencies of $950,752 are not deducted as capital-related debt outstanding against those assets. Unrestricted net position of $(1,654,835) absorbs those obligations.

During fiscal 2026, the note payable increased $27,141, from $746,453 at July 1, 2025 to $773,594 at June 30, 2026, reflecting additional draws of $324,715 and principal repayments of $297,574. Due to other agencies increased $628,137, from $322,615 to $950,752. Compensated absences decreased $2,653, from $9,603 to $6,950.

V. CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The following facts, decisions, or conditions are known to management as of the date the financial statements were issued and are expected to have a significant effect on financial position or to produce significant differences from fiscal 2026 results. Prospective information that is not currently known is omitted.

Charter term and funding — The Charter School's current charter with the School Board of Hillsborough County, Florida expires June 30, 2027. Substantially all operating support is received through the Florida Education Finance Program and other state and federal awards passed through Hillsborough County Public Schools. FTE counts supporting that funding are subject to audit by the Florida Department of Education, and amounts received from grantor agencies are subject to audit and adjustment. A significant reduction in membership, a change in state funding, or non-renewal or termination of the charter would have a substantial effect on operations.

Related-party balances — At June 30, 2026, amounts due to Excelsior Prep Charter School of Miami Gardens were $515,912 and $434,840 to Excelsior Prep Charter School of Hialeah. $373,248 was due from Excelsior Prep Charter Middle School. The Regions line-of-credit note payable was $773,594.

V. CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS (CONTINUED)

Student membership — Fiscal 2026 funded membership was 135 unweighted FTE, compared with the adopted-budget count of 137 and an opening projection of 187. FEFP revenue of $1,059,439 was $452,288 lower than fiscal 2025 and $90,821 below the adopted budget of $1,150,260. Because substantially all operating revenue is earned through the FEFP on a per-student basis, enrollment is the Charter School's most important financial driver. Enrollment for the 2026-27 school year has increased approximately 30% over fiscal 2026 to approximately 176 FTE, per management's analysis, which is expected to increase FEFP and related per-student revenue, including referendum revenue distributed on unweighted FTE (Note 13).

Facility lease. Effective July 1, 2026, the Charter School occupies the educational facility at 10402 N. 56th Street, Temple Terrace, Florida, under a Lease Agreement dated as of August 1, 2025 between Red Hook Capital Partners IV LLC and Excelsior Prep Charter School, Inc. (d/b/a Excelsior Prep Charter School), with notice address 502 E. Tyler Street, Tampa, Florida. The initial term is 25 years from July 1, 2026, with two five-year extension options. No related lease liability is reported at June 30, 2026, because the term commences after year-end. Rent under that lease will be charged to operation of plant beginning in fiscal 2027. The Temple Terrace campus is a shared educational facility that also houses Excelsior Elementary and Excelsior Woodmont under an agreement. Rent and shared facility costs are allocated among the three schools. The relocation replaces the short-term University Square Mall lease, for which fiscal 2026 rent was $229,614, and gives the Charter School a permanent campus with room for enrollment growth.

Financial condition — Fiscal 2026 was a transition year as the Charter School prepared to move from short-term leased space to a permanent campus shared with its sister schools. At June 30, 2026, the Charter School reported a deficit total net position of $1,083,613 and a deficit unrestricted net position of $1,654,835. Current liabilities of $1,798,102 exceeded current assets of $528,780. Current liabilities include $950,752 of non-interest-bearing advances from commonly governed sister schools, which are payable on demand but have not been called, and the $773,594 line-of-credit note, which matures April 28, 2027. The lender has renewed the line of credit annually since it was established in 2020; during fiscal 2026 the Charter School repaid $297,574 of principal, and $226,406 of the $1,000,000 facility remained available at year-end. The Charter School is also owed $373,248 by Excelsior Prep Charter Middle School. Changes in net position were decreases of $670,059 in fiscal 2024, $183,924 in fiscal 2025, and $330,714 in fiscal 2026. The General Fund balance improved from a deficit of $220,217 to a positive $95,147 at June 30, 2026, and the Charter School did not meet any of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

Several conditions have improved in fiscal 2027. Enrollment has increased approximately 30%. First-year base rent for the Temple Terrace campus is estimated at $1,539,301 before contractual abatement; rent is fully abated for July through September 2026, which reduces fiscal 2027 base rent by approximately $384,825. Management's plans and its evaluation of the Charter School's financial condition are described in Note 15.

Federal awards — No new federal award is known at the date the financial statements were issued. Grant receipts remain subject to grantor audit and adjustment.

V. CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS (CONTINUED)

No other currently known facts, decisions, or conditions are expected to have a significant effect on financial position or results of operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Excelsior Prep Charter School Inc.'s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dr. Matthew Schabath, Chairman, at 10402 N 56th St, Temple Terrace, FL 33617, United States.

BASIC FINANCIAL STATEMENTS

EXCELSIOR PREP CHARTER SCHOOL INC.
STATEMENT OF NET POSITION
AS OF JUNE 30, 2026

	Governmental Activities
ASSETS	
Current Assets	
Cash & Cash Equivalents	$ 87,944
Accounts Receivable	24,903
Deposit Receivable	42,685
Due from Other Agency	373,248
Total Current Assets	**528,780**
Non-Current Assets	
Capital Assets, Net	185,709
Total Non-Current Assets	**185,709**
TOTAL ASSETS	**714,489**
LIABILITIES AND NET POSITION	
LIABILITIES	
Current Liabilities	
Salaries and Wages Payable	31,677
Accounts Payable	35,129
Note Payable	773,594
Due to Other Agency	950,752
Compensated Absences Payable	6,950
Total Current Liabilities	**1,798,102**
TOTAL LIABILITIES	**1,798,102**
NET POSITION	
Net Investment in Capital Assets	185,709
Restricted	385,513
Unrestricted	(1,654,835)
TOTAL NET POSITION	**(1,083,613)**
TOTAL LIABILITIES AND NET POSITION	**$ 714,489**

XCELSIOR PREP CHARTER SCHOOL INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

	Expenses	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position: Total Governmental Activities
Governmental Activities				
Instruction	$ 665,871	$ 102,690	$ -	$ (563,181)
General Administration	128,901	-	-	(128,901)
School Administration	359,289	-	-	(359,289)
Fiscal Services	14,589	-	-	(14,589)
Food Services	113,110	117,914	-	4,804
Student Transportation Services	-	17,569	-	17,569
Operation of Plant	500,097	-	117,253	(382,844)
Maintenance of Plant	8,408	-	-	(8,408)
Interest on Long-term Debt	94,918	-	-	(94,918)
Unallocated Depreciation Expense	15,826	-	-	(15,826)
Total Governmental Activities	**$ 1,901,009**	**$ 238,173**	**$ 117,253**	**(1,545,583)**
General Revenues:				
Hillsborough County Public Schools - FEFP				1,059,439
Referendum Revenues				119,642
Miscellaneous Revenue				35,788
Total General Revenues				**1,214,869**
Change in Net Position				**(330,714)**
Net Position - Beginning of the year				(752,899)
Net Position - End of the year				**$ (1,083,613)**

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

EXCELSIOR PREP CHARTER SCHOOL INC.
BALANCE SHEET – GOVERNMENTAL FUND
AS OF JUNE 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash & Cash Equivalents	$ 87,944	$ -	$ -	$ 87,944
Accounts Receivable, net	24,903	-	-	24,903
Deposits Receivable	42,685	-	-	42,685
Due from Other Agency	373,248	-	-	373,248
Due from Other Fund	-	366,827	-	366,827
TOTAL ASSETS	**528,780**	**366,827**	**-**	**895,607**
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Salaries and Wages Payable	31,677	-	-	31,677
Accounts Payable	35,129	-	-	35,129
Due to Other Fund	366,827	-	-	366,827
TOTAL LIABILITIES	**433,633**	**-**	**-**	**433,633**
FUND BALANCES				
Nonspendable:				
Deposits receivable	42,685	-	-	42,685
Restricted	18,686	366,827	-	385,513
Unassigned	33,776	-	-	33,776
TOTAL FUND BALANCES	**95,147**	**366,827**	**-**	**461,974**
TOTAL LIABILITIES AND FUND BALANCES	**$ 528,780**	**$ 366,827**	**$ -**	**$ 895,607**

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

EXCELSIOR PREP CHARTER SCHOOL INC.
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2026

Total Fund Balances- Governmental Funds		**$ 461,974**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Capital Assets	$ 571,435	
Provision for Depreciation	$ (385,726)	185,709
Notes payable and amounts due to other agencies are not reported in the governmental funds under the current financial resources measurement focus. These amounts are reported as current liabilities in the statement of net position because the note matures within one year and the related-party advances have no stated maturity and are due on demand.		
Note Payable		(773,594)
Due to Other Agencies		(950,752)
Compensated absences are recognized in the government-wide financial statements when earned by employees, while in the governmental funds, liabilities are recognized only when they are due and payable		(6,950)
Total Net Position - Governmental Activities		**$ (1,083,613)**

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

EXCELSIOR PREP CHARTER SCHOOL INC.
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenue				
Hillsborough County Public Schools - FEFP	$ 1,059,439	$ -	$ -	$ 1,059,439
Operating Grants and Contributions	-	238,173	-	238,173
Capital Grants and Contributions	-	-	117,253	117,253
Referendum Revenues	119,642	-	-	119,642
Miscellaneous Revenue	35,788	-	-	35,788
Total Revenue	**1,214,869**	**238,173**	**117,253**	**1,570,295**
Expenditure				
Current:				
Instruction	565,834	102,690	-	668,524
General Administration	128,901	-	-	128,901
School Administration	359,289	-	-	359,289
Fiscal Services	14,589	-	-	14,589
Food Services	-	113,110	-	113,110
Operation of Plant	382,844	-	117,253	500,097
Maintenance of Plant	8,408	-	-	8,408
Debt Service:				
Principal	297,574	-	-	297,574
Interest on Long-term Debt	94,918	-	-	94,918
Total Current Expenditure	**1,852,357**	**215,800**	**117,253**	**2,185,410**
Excess / (Deficit) of Revenue over (under) Expenditure	**(637,488)**	**22,373**	**-**	**(615,115)**
Other Financing Sources (Uses)				
Proceeds from Loan	324,715	-	-	324,715
Proceeds from Other Agencies	628,137	-	-	628,137
Total Other Financing Sources (Uses)	**952,852**	**-**	**-**	**952,852**
Net Changes in Fund Balances (Deficit)	**315,364**	**22,373**	**-**	**337,737**
Fund Balance (Deficit) - Beginning of the year	(220,217)	344,454	-	124,237
Fund Balance (Deficit) - End of the year	**$ 95,147**	**$ 366,827**	**$ -**	**$ 461,974**

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

EXCELSIOR PREP CHARTER 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

Total Net Changes in Fund Balance - Governmental Funds	**$ 337,737**
Amounts reported for governmental activities in the statement of net position are different because:	
In the statement of activities, depreciation of capital asset is reported as an expense over the estimated life of the asset, however, in the governmental funds report it is not included as an expense.	
Depreciation Expense	(15,826)
The proceeds from loans provide current financial resources to governmental funds, but increase liabilities in the statement of net position. Repayment of advance principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net position.	
Principal Repayment of Notes Payable	297,574
Proceeds from Loan	(324,715)
Proceeds from Other Agencies	(628,137)
In the Statement of Activities, certain operating expenses - compensated absences - are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (amounts actually paid).	2,653
Change in Net Position of Governmental Activities	**$ (330,714)**

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

EXCELSIOR PREP CHARTER SCHOOL INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

Note 1 – Organization and Operations

Nature of Operations
Excelsior Prep Charter School Inc. (the "Charter School") is a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The Charter School operates under a Charter approved by its sponsor, the Hillsborough County Public Schools, Florida. The governing body of the Charter School is the not-for-profit corporation's Board of Directors which is composed of three (3) members.

The Charter School provides educational services to students in grades K-5. The core philosophy and purpose of the Charter School is to demonstrate that the Charter School's students can learn at high levels through an academically rigorous and innovative curriculum that incorporates the development of good character.

Note 2 - Summary of Significant Accounting Policies

Reporting Entity:
The Charter School operates under a charter of the sponsoring school district, the Hillsborough County Public Schools (the "District"). The current charter is effective until June 30, 2027, and may be renewed in increments of 5 to 15 years by mutual agreement between the Charter School and the District. At the end of the term of the charter, the District may choose not to renew the charter under the grounds specified in the charter in which case the District is required to notify the Charter School in writing at least 90 days prior to the Charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. Excelsior Prep Charter School Inc. is considered a component unit of the Hillsborough County Public Schools.

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

Basis of Presentation:
Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audit for States and Local Governments and provisions of Florida Statutes, the Charter School is presented as a governmental organization for financial statement reporting purposes.

Government-wide Financial Statement:
The government-wide financial statements (i.e., the statement of Net Position and the statement of activities) report information on all activities of the Charter School. The effect of interfund activity, generally, has been removed from these statements.

Note 2 - Summary of Significant Accounting Policies – (Continued)

Basis of Presentation (Continued)

Government-wide Financial Statement: (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to recipients for goods and services associated with programs 2) operating grants and contributions that are used to meet the operational requirements of a particular function or program, and 3) capital grants and contributions that are restricted to meeting the capital requirements of a particular function or program.

Fund financial statements:

The Charter School accounts are organized on the basis of funds. The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. The funds in the financial statements of this report are as follows:

General Fund – is the Charter School's primary operating fund. It accounts for all financial resources of the Charter School, except those required to be accounted for in another fund.

Special Revenue Fund – accounts for specific revenue, such as federal grants, that are legally restricted to expenditures for particular purposes.

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. At June 30, 2026, the Capital Projects Fund had no assets, liabilities, or fund balance.

Measurement Focus, Basis of Accounting:

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

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. 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. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Revenues from non-exchange transactions are reported according to 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 satisfied.

Note 2 - Summary of Significant Accounting Policies – (Continued)

Measurement Focus, Basis of Accounting: (Continued)

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenues is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Charter School considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Capital Assets
Capital assets, which include land, buildings, building improvements, furniture and fixtures, equipment and library books are reported in the applicable governmental activities in the government-wide financial statements. Capital assets are defined by the Charter School as assets with an initial, individual cost of more than $500 and a life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Estimated useful lives, in years, for depreciable assets are as follows:

Building and improvements	39 years
Furniture, equipment and computers	5-7 years

Donated capital assets, if any, are recorded at estimated fair value at the date of donation. Within governmental funds, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported within the governmental fund financial statements.

Due from Other Governments or Agencies
Amounts due to the Charter School by other governments or agencies are for grants or programs under which the services have been provided by the Charter School.

Revenue Sources
Revenues for operations will be received primarily from the District pursuant to the funding provisions included in the Charter School's charter. In accordance with the funding provisions of the charter and section 1002.33, Florida Statutes, the Charter School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the Charter School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the Charter School during the designated full-time equivalent student survey periods. The Charter School also receives Federal funding for the school food program. 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, revenues are recognized to the extent that eligible expenditures have been incurred. Also, other revenues may be derived from various fundraising activities and certain other programs.

Note 2 - Summary of Significant Accounting Policies – (Continued)

Income Taxes
The Charter 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.

Compensated Absences
Effective July 1, 2025, the Charter School adopted GASB Statement No. 101, Compensated Absences. The Statement requires a liability for leave that has not been used if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled, and for leave that has been used but not yet paid.

The Charter School's paid-time-off policy allows the eligible employees to carryover two days of unused paid-time-off into the following school year. These benefits are reported as liabilities in the government-wide financial statements and as expenditures when taken in the fund financial statements of the General Fund. Compensated absence payable was $6,950 at June 30, 2026.

Deferred Outflows/Inflows of Resources:
The statement of financial position will sometimes report 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 Charter School has no items that meet this criterion.

In addition to liabilities, the statement of financial position will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Charter School has no items that meet this criterion.

Equity Classifications:

Government-wide Financial Statement
Equity is classified as Net Position and displayed in three components:

a. Net Investment in Capital Assets – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowing that are attributable to the acquisition, construction or improvement of those assets.
b. Restricted Net Position– consists of Net Position with constraints placed on their use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
c. Unrestricted Net Position– all other Net Position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt"

Note 2 - Summary of Significant Accounting Policies – (Continued)

Fund Financial Statements

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

a) Non-spendable – 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). The nonspendable fund balance represents amounts that are not in spendable form. At June 30, 2026, the nonspendable fund balance was $42,685, relating to deposits receivable.

b) Restricted –fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of resource providers. Restricted fund balance as of June 30, 2026 is $385,513, consisting of $18,686 in the General Fund and $366,827 relating to the Special Revenue Fund.

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

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

e) Unassigned – fund balance is the residual classification for the Charter School's general fund and includes all spendable amounts not contained in the other classifications. At June 30, 2026, the General Fund had an unassigned fund balance of $33,776. The combined governmental fund balances were $461,974, consisting of nonspendable fund balance of $42,685, restricted fund balance of $385,513, and unassigned fund balance of $33,776.

Encumbrances

Encumbrances represent commitments relating to unperformed contracts for goods or services. At June 30, 2026, there were no encumbrances outstanding.

Use of Estimates

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

Note 2 - Summary of Significant Accounting Policies – (Continued)

New Accounting Pronouncement Adopted

GASB Statement No. 103: During the year ended June 30, 2026, the Charter School adopted GASB Statement No. 103, Financial Reporting Model Improvements, issued in April 2024 and effective for fiscal years beginning after June 15, 2025. The objective of GASB 103 is to improve key components of the financial reporting model, and it establishes new or modified requirements related to (a) MD&A, (b) unusual or infrequent items, (c) presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, (d) information about major component units in the basic financial statements, (e) budgetary comparison information, and (f) financial trends information in the statistical section.

Accordingly, the requirements of GASB 103 relating to the proprietary fund statement of revenues, expenses, and changes in fund net position, to major component unit information, and to the statistical section had no effect on the accompanying financial statements. Adoption of GASB 103 affected the content and organization of MD&A, the presentation of unusual or infrequent items (of which there were none) in the statements of resource flows, and the presentation of budgetary comparison information and the related variance columns and explanations within required supplementary information.

In accordance with paragraph 19 of GASB 103, changes adopted at transition are reported as a change in accounting principle in accordance with GASB Statement No. 100, Accounting Changes and Error Corrections. Because the changes affect presentation and disclosure only, adoption of GASB 103 did not result in a change to the Charter School's net position as of July 1, 2025, or to its previously reported fund balances.

GASB Statement No. 104: Disclosure of Certain Capital Assets, is effective for the same reporting period. The Statement requires certain capital assets — including lease assets, subscription assets, and intangible assets other than those — to be disclosed separately. The Charter School occupies its educational facility under operating arrangements at 2156 University Square Mall and does not own the campus. A 25-year lease with Red Hook Capital Partners IV LLC was executed August 1, 2025, with a commencement date of July 1, 2026; no right-to-use lease asset is recognized at June 30, 2026. The Charter School has no subscription-based information technology arrangement assets. Adoption of GASB 104 had no effect on beginning net position or fund balances. Adoption of GASB 104 therefore had no additional effect on the accompanying financial statements.

Note 3 - Cash and Cash Equivalents

As of June 30, 2026, the cash and cash equivalents were $87,944. The bank balance was within the FDIC insured limit as of June 30, 2026.

The Charter School is operated under a Charter sponsored by the Hillsborough County Public Schools as described in Note 1. Accordingly, its bank deposits are governed by Chapter 280 of the Florida Statutes. All time and demand deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds.

Note 3 - Cash and Cash Equivalents (Continued)

Under Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act", the State Treasurer requires all qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral having a market value equal to an amount from 50% to 125% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held.

The percentage of eligible collateral (generally, U.S. Government and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its financial condition.

Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. Therefore, all cash deposits in an approved Florida banking institution are both collateralized and insured and not subject to a concentration of credit risk or a custodial credit risk as defined in Government Accounting Standards Board ("GASB") Statement No. 40. The Charter School has no monetary assets other than cash in an approved depository.

Note 4 – Accounts Receivable

Accounts receivable represents outstanding reimbursements from the following programs below. As of June 30, 2026, the receivable balance is $24,903.

Description	Amount
AR Capital Outlay	$ 4,665
AR Lunch Reimbursement	20,238
Total	**$ 24,903**

Note 5 – Lease

The Charter School occupied 2156 University Square Mall, Units 260–262 and 266, Tampa, Florida, under a short-term lease extended for one year from June 1, 2025 through May 31, 2026. Short-term facility rent of $229,614 was charged to operation of plant for the year ended June 30, 2026. No right-to-use asset or lease liability is recognized for that short-term arrangement.

On August 1, 2025, Excelsior Prep Charter School, Inc., d/b/a Excelsior Prep Charter School, executed a 25-year lease with Red Hook Capital Partners IV LLC for 10402 N. 56th Street, Temple Terrace, Florida. The lease term begins July 1, 2026 and includes two five-year extension options. Because the lease had not commenced at June 30, 2026, no right-to-use asset or lease liability is recognized.

The Temple Terrace lease also requires a security deposit equal to two months of first-year base rent, payable in equal monthly installments. During fiscal 2026 the Charter School paid $21,352 toward that deposit. The installment is included in deposits receivable at June 30, 2026 and is not the full two-month deposit, which cannot be measured until project costs are certified and first-year base rent is known.

Note 5 – Lease (Continued)

Deposits receivable increased $21,352 during the year, to $42,685 at June 30, 2026; the remainder relates to other operating deposits.

Note 6 – Capital Assets

Capital assets activity for the year ended June 30, 2026, was as follows:

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Capital Assets				
Buildings and Improvements	$ 241,034	$ -	$ -	$ 241,034
Furniture, Fixtures and Equipment	330,401		-	330,401
Total Capital Assets	**571,435**	**-**	**-**	**571,435**
Accumulated Depreciation	(369,900)	(15,826)	-	(385,726)
Capital Assets, Net	**$ 201,535**	**$ (15,826)**	**$ -**	**$ 185,709**

The provision for depreciation for the year ended June 30, 2026, amounted to $15,826.

Buildings and improvements consist of leasehold improvements originally placed in service at the University Square Mall location. Effective with the commencement of the facility lease described in Note 5 on July 1, 2026, those improvements and other remaining assets were relocated and placed in service at 10402 N. 56th Street, Temple Terrace, Florida, and continue to be used in operations.

Note 7 – Management Contract

The Charter school has contracted with the School Development Service for administrative and educational management services for the operation of the school. The contract expires in June 2027 and provides for a fee based on a percentage of certain revenues of the school which is 10%. The fees paid to the management company for the year ended June 30, 2026, amounted to $128,901.

Note 8 – Notes Payable

On March 23, 2020, the Charter School entered into a revolving line-of-credit agreement with a financial institution. The facility provides for advances up to $1,000,000. Advances are used for working capital and general operations and were not incurred to acquire the Charter School's capital assets. Advances are interest-only until maturity. Principal is due at maturity unless the line is renewed or paid down at the Charter School's option. Interest is variable.

The rate in effect during fiscal 2026 was 8.30% through early November 2025, 7.80% through December 10, 2025, and 7.55% thereafter. Monthly billings were interest-only. The maturity date of the note is April 28, 2027, which is renewed annually.

Note 8 – Notes Payable (Continued)

Because the entire principal is contractually due within one year of June 30, 2026, and because annual renewal is not a noncancelable refinancing agreement in place at year-end, the outstanding balance is reported as a current liability. The balance outstanding as of June 30, 2026, is $773,594. The facility limit is $1,000,000. Unused availability at June 30, 2026 was $226,406. The note is not capital-related debt and is not deducted in arriving at net investment in capital assets. The outstanding balance is not reported in the governmental funds. The changes in liabilities are presented below:

Description	Beginning Balance	Additions	Deductions	Ending Balance
Loan Payable	$ 746,453	$ 324,715	$ 297,574	$ 773,594

Note 9 – Risk Management

The Charter School is exposed to various risks of loss related to torts, thefts of damage to and destruction of assets, errors and omissions and natural disasters for which the school carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past three (3) years. In addition, there were no reductions in insurance coverage from those in the prior year.

Note 10 - Related Party

In accordance with the Charter Agreement and Section 1002.33(20), Florida Statutes, the School Board of Hillsborough County retains an administrative fee of 5% of certain FEFP revenues. The fee is received by the District on a pro rata basis over the twelve-month period and is adjusted for changes in full-time equivalent student population. After review and verification of Full-Time Equivalent ("FTE") reports and supporting documentation, the Florida Department of Education may adjust subsequent fiscal-period allocations of FTE funding for prior-year errors disclosed by its review and to prevent the statewide allocation from exceeding the amount authorized by the State Legislature.

The Charter School had transactions with other charter schools under common governance. At June 30, 2026, amounts due to Excelsior Prep Charter School of Miami Gardens were $515,912 and amounts due to Excelsior Prep Charter School of Hialeah were $434,840, totaling $950,752. In addition, amounts due from Excelsior Prep Charter Middle School was $373,248. The $373,248 due from Excelsior Prep Charter Middle School is reported as a General Fund receivable because collection is expected within the School's availability period. The $950,752 due to the Miami Gardens and Hialeah schools is reported only in the government-wide statements as current financing advances. The advances are non-interest-bearing. No allowance was considered necessary.

Note 11 – Funding and Credit Risk Concentration

The Charter School receives substantially all of its support and revenue from federal, state and local funding sources, passed through the School Board District, in the form of performance and budget based contracts. Continuing operation of the Charter School is greatly dependent upon the continued support of these governmental agencies.

Note 12 - Defined Contribution Retirement Plan

The Charter School's personnel are eligible to participate in a defined contribution 401(k) plan covering employees who meet certain age and tenure requirements. Under the Plan, the Charter School provides a match of the employee's contribution up to 3% of the employee's compensation. The Charter School contributed to the Plan $29,484 for the year ended June 30, 2026. The Charter School does not exercise any control or fiduciary responsibility over the plan's assets.

Note 13 – Referendum Revenue

On November 5, 2024, the voters of Hillsborough County approved an ad valorem operating millage of one mill annually from July 1, 2025 through June 30, 2029. The levy is authorized under Section 1011.71(9), Florida Statutes, to provide competitive salaries for teachers and staff, implement and preserve academic programs, and distribute a proportionate share to charter schools based on unweighted FTE. Fiscal 2026 is the first year of the levy. The Charter School recognized referendum revenue of $119,642 from the School Board of Hillsborough County (none in fiscal 2025). Of that amount, $6,567 was expended for qualified administration, $82,891 for qualified teachers, and $11,499 for qualified support staff. The remaining $18,686 allocated to qualified academic programs was unexpended at year end and is reported as restricted fund balance in the General Fund. No referendum settlement receivable or payable was recorded as of June 30, 2026.

Note 14 - Subsequent Events

In accordance with GASB Codification Section 2250.106, the Charter School has evaluated subsequent events and transactions for potential recognition of disclosure through September 28, 2026, which is the date the financial statements were available to be issued.

On July 1, 2026, the Charter School commenced a new 25-year lease for its campus located at 10402 N. 56th Street, Temple Terrace, Florida. Extension-term base rent is the greater of then-prevailing market rent and the base rent in the year immediately preceding the extension, and thereafter increases 2.5% annually. Base Rent for the first Lease Year equals 8.5% of Lessor's Project Costs, as determined by the lessor and reviewed by the School on or before the Commencement Date. A commencement certificate confirming first-year Base Rent is required under the lease. As of the date the financial statements were available to be issued, management's working estimate of Project Costs, taken from the lessor's preliminary determination, is $18,109,420. On that base, estimated first-year Base Rent is $1,539,301 ($128,275 per month) before abatement. That estimate is subject to the final Project Cost certification. Provided no breach has occurred, Base Rent is 100% abated for the first three months of Lease Year 1 (July–September 2026), the first two months of Lease Year 2, and the first month of Lease Year 3. Enrollment for the 2026-27 school year has increased approximately 30% over fiscal 2026 funded membership of 135 unweighted FTE to approximately 176 FTE, per management's analysis. The Charter School entered into an agreement with Excelsior Elementary and Excelsior Woodmont, commonly governed charter schools that share the Temple Terrace campus, under which base rent and shared facility costs are allocated.

The Charter School has evaluated the above matters and determined that they represent subsequent events requiring disclosure but do not require adjustment of the June 30, 2026 financial statements.

Note 15 – Financial Condition and Management's Plans

Financial condition

As of June 30, 2026, the Charter School reported a deficit unrestricted net position of $1,654,835 and a deficit total net position of $1,083,613. Current liabilities of $1,798,102 exceeded current assets of $528,780. Current liabilities include the line-of-credit note payable of $773,594, which matures April 28, 2027, and non-interest-bearing advances of $950,752 from commonly governed charter schools, which have no stated maturity and are payable on demand. The Charter School is also owed $373,248 by Excelsior Prep Charter Middle School, a commonly governed school (Note 10). The line of credit has been renewed annually since March 2020. During fiscal 2026 the Charter School repaid $297,574 of principal, and $226,406 of the $1,000,000 facility remained available at June 30, 2026 (Note 8).

Changes in net position were decreases of $670,059 in fiscal 2024, $183,924 in fiscal 2025, and $330,714 in fiscal 2026. Net position declined from a surplus of $101,084 at June 30, 2023 to a deficit of $1,083,613 at June 30, 2026. These results mainly reflect lower enrollment and the cost of operating from short-term leased space. Fiscal 2026 funded membership was 135 unweighted FTE, in line with the budget of 137. The current charter with the School Board of Hillsborough County expires June 30, 2027. Effective July 1, 2026, the Charter School occupies a permanent campus under a 25-year lease, for which management's working estimate of first-year base rent is $1,539,301 before contractual abatement (Note 14).

Management's plans

Management has taken the following actions. Several of them were in effect by the date these financial statements were available to be issued:

- Enrollment growth. Enrollment for the 2026-27 school year has increased approximately 30% over fiscal 2026 to approximately 176 FTE, increasing FEFP, referendum, and other per-student revenue.
- Shared campus and lower occupancy costs. The Temple Terrace campus is shared with Excelsior Elementary and Excelsior Woodmont, commonly governed charter schools under an agreement that allocates base rent and shared facility, administrative, and support costs among the three schools. Base rent is fully abated for July through September 2026, the first two months of Lease Year 2, and the first month of Lease Year 3.
- Fiscal 2027 budget. The Board adopted a fiscal 2027 budget that includes the Charter School's share of lease costs and the increased enrollment.
- Line of credit. Management expects to renew the line of credit before its April 28, 2027, maturity, consistent with annual renewals since 2020.
- Support from commonly governed schools. The commonly governed schools have continued to provide financial support and have not demanded repayment of advances.
- Additional grant funding. The Charter School continues to pursue additional grant awards to support instructional programs.

Note 15 – Financial Condition and Management's Plans (Continued)

Management's evaluation

These conditions, considered in the aggregate, raised substantial doubt about the Charter School's ability to continue as a going concern. After considering management's plans, including the enrollment increase, the shared-campus arrangement, and the rent abatement already in effect in fiscal 2027, management has concluded that those plans alleviate the substantial doubt. The accompanying financial statements do not include any adjustments that might result if those plans are not realized.

REQUIRED SUPPLEMENTARY INFORMATION

EXCELSIOR PREP CHARTER SCHOOL INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND
YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Variance - Original to Final Budget	Actual Amounts	Variance - Final Budget to Actual
Revenue					
Hillsborough County Public Schools - FEFP	$ 1,150,260	$ 1,150,260	$ -	$ 1,059,439	$ (90,821)
Referendum Revenues	-	-	-	119,642	119,642
Miscellaneous Revenues	200,000	200,000	-	35,788	(164,212)
Total Revenue	**1,350,260**	**1,350,260**	**-**	**1,214,869**	**(135,391)**
Expenditure					
Current:					
Instruction	673,687	673,687	-	565,834	107,853
Instruction and Curriculum Development Service	10,000	10,000	-	-	10,000
Instructional Staff Training Services	2,500	2,500	-	-	2,500
School Board	11,500	11,500	-	-	11,500
General Administration	170,214	170,214	-	128,901	41,313
School Administration	176,204	176,204	-	359,289	(183,085)
Fiscal Services	15,000	15,000	-	14,589	411
Student Transportation Services	60,000	60,000	-	-	60,000
Operation of Plant	239,047	239,047	-	382,844	(143,797)
Maintenance of Plant	7,500	7,500	-	8,408	(908)
Debt Service					
Principal	-	-	-	297,574	(297,574)
Interest and Other Charges	25,000	25,000	-	94,918	(69,918)
Total Expenditure	**1,390,651**	**1,390,651**	**-**	**1,852,357**	**(461,706)**
Excess (Deficit) of Revenues Over (Under) Expenditures	**(40,391)**	**(40,391)**	**-**	**(637,488)**	**(597,097)**
Other Financing Sources (Uses)					
Proceeds from Loan	-	-	-	324,715	(324,715)
Proceeds from Other Agencies	-	-	-	628,137	(628,137)
Total Other Financing Sources (Uses)	**-**	**-**	**-**	**952,852**	**(952,852)**
Net Changes in Fund Balances (Deficit)	**$ (40,391)**	**$ (40,391)**	**$ -**	**$ 315,364**	**$ 355,755**

The accompanying notes are an integral part of this required supplementary information

EXCELSIOR PREP CHARTER SCHOOL INC.
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2026

	Original Budget	Final Budget	Variance - Original to Final Budget	Actual Amounts	Variance - Final Budget to Actual
Revenue:					
Operating Grants and Contributions	$ 403,198	$ 403,198	$ -	$ 238,173	$ (165,025)
Total Revenue	**403,198**	**403,198**	**-**	**238,173**	**(165,025)**
Expenditure					
Current:					
Instruction	-	-	-	102,690	(102,690)
Food Services	151,369	151,369	-	113,110	38,259
Total Expenditure	**151,369**	**151,369**	**-**	**215,800**	**(64,431)**
Net Changes in Fund Balances (Deficit)	**$ 251,829**	**$ 251,829**	**$ -**	**$ 22,373**	**$ (229,456)**

The accompanying notes are an integral part of this required supplementary information

EXCELSIOR PREP CHARTER SCHOOL INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 1 - BUDGETARY BASIS ACCOUNTING

The Charter School formally adopted a budget for the fiscal year ended June 30, 2026. Budgeted amounts may be amended by resolution of the School Board. Budgets are presented on the modified accrual basis of accounting. The budgetary comparison schedules present the original budget, the final budget, actual amounts on the budgetary basis, and separate columns for the variance between the original and final budget amounts and the variance between the final budget amounts and actual results.

NOTE 2 – EXPLANATION OF SIGNIFICANT VARIATIONS

Final budget to actual – General Fund.

The Board did not amend the original General Fund budget. Original and final amounts are therefore the same. Total revenues of $1,214,869 were $135,391, or 10%, below the final budget of $1,350,260. FEFP revenue of $1,059,439 was $90,821 below the budget of $1,150,260. Referendum revenues of $119,642 were recognized and were not budgeted. Miscellaneous revenues of $35,788 were $164,212 below the budget of $200,000.

Total expenditures of $1,852,357 exceeded the final budget of $1,390,651 by $461,706, or 33%. Instruction of $565,834 was $107,853 under budget. Instruction and curriculum development ($10,000), instructional staff training ($2,500), school board ($11,500), and student transportation ($60,000) were budgeted and unexpended. General administration was $41,313 under budget and fiscal services were $411 under budget. Those favorable variances were offset by school administration of $359,289 ($183,085 over budget), operation of plant of $382,844 ($143,797 over budget), maintenance of plant of $8,408 ($908 over budget), unbudgeted debt-service principal of $297,574, and interest of $94,918 compared with $25,000 budgeted ($69,918 over budget).

The excess of expenditures over revenues was $637,488 compared with a budgeted deficit of $40,391. Other financing sources of $952,852 were recognized and were not budgeted, consisting of loan proceeds of $324,715 and proceeds from other agencies of $628,137. The net change in fund balance was an increase of $315,364 compared with a budgeted decrease of $40,391, a favorable variance of $355,755. Unbudgeted loan proceeds of $324,715 and proceeds from other agencies of $628,137 produced a favorable other-financing-sources variance of $952,852, which more than offset the $597,097 unfavorable variance in the excess of expenditures over revenues.

Final budget to actual – Special Revenue Fund.

The Board did not amend the original Special Revenue Fund budget. Original and final amounts are therefore the same. Actual operating grants and contributions of $238,173 were $165,025 below the final budget of $403,198. Actual expenditures of $215,800 exceeded the final budget of $151,369 by $64,431 because instruction expenditures of $102,690 were incurred with no corresponding appropriation. Food services expenditures of $113,110 were $38,259 under the budget of $151,369. The net change in fund balance was an increase of $22,373 compared with a budgeted increase of $251,829, an unfavorable variance of $229,456.

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
Excelsior Prep Charter School Inc.
Tampa, 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 Excelsior Prep Charter School Inc. (the "Charter School"), a component unit of the Hillsborough County Public Schools, Florida, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Excelsior Prep Charter School Inc.'s basic financial statements, and have issued our report thereon dated September 28, 2026. That report includes an emphasis-of-matter paragraph describing the Charter School's adoption of GASB Statement No. 103 and a paragraph describing financial condition.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 the Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Thomas & Company, CPA, PA
Cooper City, Florida
September 28, 2026

Thomas & Company, CPA, PA
Certified Public Accountants and Business Consultants

MANAGEMENT LETTER
IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Directors
Excelsior Prep Charter School Inc.
Tampa, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities and each major fund of Excelsior Prep Charter School Inc. as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 28, 2026.

Auditor's Responsibility

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

Other Reports and Schedules

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards.* Disclosures in that report and schedule, which is dated September 28, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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 Charter School is Excelsior Prep Charter School Inc. The school code assigned by the Florida Department of Education is 7791.

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 the Charter School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the 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. It is management's responsibility to monitor the Charter School's financial condition. Our assessment was performed as of fiscal year end and considered the deficit unrestricted net position of $1,654,835, current liabilities of $1,798,102 compared with current assets of $528,780, the April 28, 2027 maturity of the $773,594 note payable, related-party advances of $950,752 payable on demand, funded membership of 135 unweighted FTE, and the July 1, 2026 commencement of a facility lease with estimated first-year base rent of approximately $1,539,301. Based on that assessment, we determined that the Charter School's financial condition is deteriorating. Management's plans are disclosed in Note 15 to the financial statements.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. We recommend that the Board adopt a fiscal 2027 budget that incorporates the new lease, document any commitment that related-party advances will not be demanded during fiscal 2027, and obtain written evidence of renewal or refinance of the line of credit before April 28, 2027.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the Charter School maintains on its website information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Charter 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 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 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, School Board of Directors, School's management, and the Hillsborough County Public Schools, Florida and is not intended to be and should not be used by anyone other than these specified parties.



Thomas & Company, CPA, PA
Cooper City, Florida
September 28, 2026