



**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Annual Financial Report

June 30, 2026

(With Independent Auditors' Report Thereon)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

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June 30, 2026

Table of Contents

|                                                                                                                                                                                                                                 | <u>Pages</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Independent Auditors' Report                                                                                                                                                                                                    | 1 – 3        |
| Management's Discussion and Analysis                                                                                                                                                                                            | 4 – 9        |
| Basic Financial Statements:                                                                                                                                                                                                     |              |
| Statement of Net Position                                                                                                                                                                                                       | 10           |
| Statement of Activities                                                                                                                                                                                                         | 11           |
| Balance Sheet – Governmental Funds                                                                                                                                                                                              | 12           |
| Statement of Revenues, Expenditures and Changes in Fund Balances –<br>Governmental Funds                                                                                                                                        | 13 – 14      |
| Statement of Fiduciary Net Position – Custodial Funds                                                                                                                                                                           | 15           |
| Notes to Basic Financial Statements                                                                                                                                                                                             | 16 – 27      |
| Required Supplementary Information Other Than Management's Discussion and<br>Analysis:                                                                                                                                          |              |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Budget<br>and Actual – General Fund                                                                                                                          | 28           |
| Notes to Statement of Revenues, Expenditures and Changes in Fund Balances –<br>Budget and Actual – General Fund                                                                                                                 | 29           |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on<br>Compliance and Other Matters Based on an Audit of Financial Statements<br>Performed in Accordance with <i>Government Auditing Standards</i> | 30 – 31      |
| Management Letter                                                                                                                                                                                                               | 32 – 33      |

## **Independent Auditors' Report**

The Board of Directors  
Indian River Charter High School, Inc.:

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian River Charter High School, Inc., a component unit of the Indian River County District School Board, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2026, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 28 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 10, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

*Jacoby and Audley, PLLC*

September 10, 2026

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Management's Discussion and Analysis

The purpose of management's discussion and analysis (MD&A) is to help readers understand what the financial statements and notes in the financial report say about Indian River Charter High School, Inc.'s (the School or IRCHS) financial health and why it changed since last year. It contains information drawn from those other parts of the report, accompanied by explanations informed by the finance staff's knowledge of the School's finances.

If you have questions about this report or require further information, contact the Business Office at [sberrios@irchs.org](mailto:sberrios@irchs.org) or 772-567-6600 ext. 1131.

***Overview of the Financial Statements***

The School's financial report contains basic financial statements. Those financial statements present the School's finances at both an overall and a detailed level. The first two, the *school-wide financial statements*, cover the School's governmental activities and business-type activities.

- *Governmental activities* comprise the School's most basic functions, such as instruction and student services. Governmental activities primarily are financed by allocations from the Indian River County School Board, which are initially funded by taxes paid by County residents and allocations from the State of Florida and the federal government.
- *Business-type activities* are School services primarily financed in whole or in part with charges to customers. The School currently has no business-type activities.

The remaining basic financial statements present the School's finances in greater detail and present fiduciary activities. As their name implies, the *fund financial statements* disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. The School reports three groups of funds:

- *Governmental fund financial statements* report all of the governmental activities. In addition to the School's main operating fund – the general fund – those financial statements report a capital projects fund to account for resources use to acquire School infrastructure and certain other long-lived assets.
- *Proprietary fund financial statements* report all of the business-type activities (*enterprise funds*). The School currently has no proprietary funds.
- *Fiduciary fund financial statements* report resources for which the School acts as trustee or custodian. The resources in those funds do not belong to the School and cannot be used to provide services, which is why they are not included in the government-wide financial statements.

The next section of this financial report contains *notes to financial statements*, which delve deeper into the School's finances as reported in the financial statements. The information in the notes is as important to understanding the School's finances as the information in the financial statements. The School uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

## Types of Information in the Financial Statements

All of the School's financial statements, except for the government fund financial statements, use the *economic resources measurement focus and accrual basis of accounting*. In other words, they comprehensively report all types of financial statement elements:

- *Assets* – resources the School controls, from short-term assets like cash to long-term assets like buildings and equipment.
- *Liabilities* – amounts the School owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt.
- *Deferred outflows of resources and deferred inflows of resources* – flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- *Revenues and expenses* – inflows and outflows of economic resources, respectively, related to the current year.

Government fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as long-term debt, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from debt, as well as principal and interest payments on debt and spending the construction of School buildings.

More detail about the measurement focuses and bases of accounting can be found in the first note to financial statements, the summary of significant accounting policies, beginning on page 16.

## Analysis of the School's Finances

|                            | Net Position –<br>Governmental Activities |                   | Total<br>Percentage<br>Change |
|----------------------------|-------------------------------------------|-------------------|-------------------------------|
|                            | <u>2026</u>                               | <u>2025</u>       |                               |
| Current and other assets   | \$ 3,729,557                              | 5,051,113         | (26.2%)                       |
| Capital assets, net        | <u>15,527,063</u>                         | <u>12,639,875</u> | 22.8%                         |
| Total assets               | <u>19,256,620</u>                         | <u>17,690,988</u> | 8.8%                          |
| Current liabilities        | 2,647,365                                 | 1,396,190         | 89.6%                         |
| Long-term liabilities      | <u>7,163,017</u>                          | <u>6,581,990</u>  | 8.8%                          |
| Total liabilities          | <u>9,810,382</u>                          | <u>7,978,180</u>  | 23.0%                         |
| Net position:              |                                           |                   |                               |
| Invested in capital assets | 6,531,944                                 | 5,566,946         | 17.3%                         |
| Restricted                 | 10,468                                    | 9,944             | 5.3%                          |
| Unrestricted               | <u>2,903,826</u>                          | <u>4,135,918</u>  | (29.8%)                       |
| Total net position         | \$ <u>9,446,238</u>                       | <u>9,712,808</u>  | (2.7%)                        |

The table above shows that as of June 30, 2026, the School's net position – assets and deferred outflows minus liabilities and deferred inflows – was approximately \$9.4 million, a decrease of approximately \$270,000 or 2.7% compared with the June 30, 2025. This decrease is due to an increase in net position invested in capital assets, offset by a decrease in unrestricted net position. This is due to the School heavily investing in new capital assets including building renovations and other improvements. The following sections of MD&A analyze the finances of the governmental activities in more detail.

## Governmental Activities

The table below shows that revenues remained stable in the current year, while expenses increased, resulting in a decrease in net position of \$266,570. Various activities contributed to this decrease in net position; however, the primary factors affecting the change in net position are as follows:

- Intergovernmental revenues remained stable, however, included in the previous year was \$500,000 in federal revenues to support certain infrastructure improvements which did not reoccur in the current year.
- Other revenues include approximately \$100,000 in refunds of communications services taxes that the School was charged erroneously in previous years and was refunded during the current year.
- Instruction related expenses increased as wages and related costs were increased to match the market and additional staff were hired.
- School administration expenses increased due to additional staff being hired and charges related to new financing the School obtained in the current year.
- Other expenses increased primarily due to depreciation charges associated with a large security project which was placed in service in the prior year to better secure the campus and limit access to the school by outside parties.

|                                                       |    | Change in Net Position –<br>Governmental Activities |                  | Total<br>Percentage<br>Change |
|-------------------------------------------------------|----|-----------------------------------------------------|------------------|-------------------------------|
|                                                       |    | <u>2026</u>                                         | <u>2025</u>      |                               |
| Revenues:                                             |    |                                                     |                  |                               |
| General revenues:                                     |    |                                                     |                  |                               |
| Intergovernmental                                     | \$ | 7,562,461                                           | 7,616,286        | (0.7%)                        |
| Other                                                 |    | 1,249,766                                           | 1,082,640        | 15.4%                         |
| Operating grants and contributions                    |    | 55,918                                              | 37,480           | 49.2%                         |
| Contributions for capital expenditures                |    | <u>10,000</u>                                       | <u>10,000</u>    | 0.0%                          |
| Total revenues                                        |    | <u>8,878,145</u>                                    | <u>8,746,406</u> | 1.5%                          |
| Expenses:                                             |    |                                                     |                  |                               |
| Instruction related                                   |    | 4,552,996                                           | 4,179,045        | 8.9%                          |
| School administration                                 |    | 1,112,956                                           | 980,825          | 13.5%                         |
| Food service                                          |    | 1,822                                               | 2,544            | (28.4%)                       |
| Information and technology services                   |    | 374,046                                             | 364,531          | 2.6%                          |
| Transportation                                        |    | 1,628                                               | 413              | 294.2%                        |
| Maintenance and operations of<br>facilities and plant |    | 1,199,261                                           | 1,206,440        | 0.6%                          |
| Other                                                 |    | <u>1,902,006</u>                                    | <u>1,541,235</u> | 23.4%                         |
| Total expenses                                        |    | <u>9,144,715</u>                                    | <u>8,275,033</u> | 10.5%                         |
| Change in net position                                | \$ | <u>(266,570)</u>                                    | <u>471,373</u>   | (156.6%)                      |

## Governmental Funds

The School reports two major funds individually in the governmental fund financial statements. Those funds are the general fund and the capital projects fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the School's current financial health are more apparent in the fund financial statements than in the school-wide financial statements. There were significant changes in both of the major funds. Those two major funds are shown in the table below and are then discussed in more detail.

|                                      | General Fund        |                  | Capital Projects Fund |                    |
|--------------------------------------|---------------------|------------------|-----------------------|--------------------|
|                                      | <u>2026</u>         | <u>2025</u>      | <u>2026</u>           | <u>2025</u>        |
| Total revenues                       | \$ <u>7,717,384</u> | <u>7,382,774</u> | <u>1,163,763</u>      | <u>1,363,632</u>   |
| Total expenditures                   | <u>7,564,969</u>    | <u>6,933,591</u> | <u>4,979,815</u>      | <u>2,022,006</u>   |
| Other financing sources (uses):      |                     |                  |                       |                    |
| Proceeds from long term debt         | <u>—</u>            | <u>—</u>         | <u>1,114,900</u>      | <u>—</u>           |
| Total other financing sources (uses) | <u>—</u>            | <u>—</u>         | <u>1,114,900</u>      | <u>—</u>           |
| Net change in fund balances          | 152,415             | 449,183          | (2,701,152)           | (658,374)          |
| Fund balances, beginning of year     | <u>6,579,390</u>    | <u>6,130,207</u> | <u>(2,429,926)</u>    | <u>(1,771,552)</u> |
| Fund balances, end of year           | \$ <u>6,731,805</u> | <u>6,579,390</u> | <u>(5,131,078)</u>    | <u>(2,429,926)</u> |

### General Fund

The fund balance of the School's general fund increased by 2.3%. This increase in the fund balance is attributable to the following factors:

- Approximately \$360,000 additional revenue from FTE funding from the District.
- Approximately \$100,000 additional revenue from the refund of communications services taxes that should not have been charged that was refunded in the current year.
- These favorable increases were offset by expense increases discussed on page 6.

The general fund experienced an increase in its due from the capital fund of approximately \$1.7 million, as the general fund advanced money to the capital fund to meet its funding shortfall during the year ended June 30, 2026. See the capital projects fund discussion below.

### Capital Projects Fund

Outlays for capital assets increased substantially in the current year as the School embarked on a reimagining of its performance space and outdoor student areas. The School has invested \$3.5 million in the project through June 30, 2026, and the total cost is expected to be approximately \$8.5 million. The project is being funded with cash reserves and a \$6.35 million loan to be drawn as construction is completed. See additional discussion below regarding the School's new debt financing.

The School also spent approximately \$400,000 on completing school safety enhancements to comply with new legislation (FL HB 1473 and Chapter 2024-155).

The School remains mindful of capital fund shortfalls as the School anticipates being able to repay the general fund for its advances to the capital fund in upcoming years as a result of §1013.62 being enacted into law and effective July 1, 2023. This statute changes the amount of capital outlay allocation received by the School. The new process is to divide the state appropriation for charter school capital outlay by the total FTE for all eligible charter schools to determine the base charter school per FTE allocation amount. The base charter school per FTE allocation amount is then multiplied by the FTE of each charter school to determine each charter school's capital outlay allocation. The school district's adjusted discretionary millage revenue is divided by the district's total capital outlay full-time equivalent membership and the total number of full-time equivalent students of each eligible charter school to determine a capital outlay allocation per full-time equivalent student. The capital outlay allocation per full-time equivalent student is multiplied by the total number of full-time equivalent students of each eligible charter school to determine the capital outlay allocation for each charter school. Then the discretionary millage by the state fund is reduced to determine calculated capital outlay.

The amount of capital outlay funds a school district must distribute to charter schools under the above paragraph shall be phased in as follows:

- For fiscal year 2025-2026, 60 percent of the amount calculated.
- For fiscal year 2026-2027, 80 percent of the amount calculated.
- For fiscal year 2027-2028, and each fiscal year thereafter, 100 percent of the amount calculated.

The School received its third allocation resulting from the legislation during fiscal year 2025-2026, which totaled \$737,767.

### ***Long-Term Debt Financing***

During the year ended June 30, 2026, the School obtained a new mortgage note providing for total borrowings of \$6,350,000 to fund the construction discussed above. The mortgage note agreement provides for interest only payments at 4.35% during the construction, and then monthly interest and principal payments through October 2042. It is anticipated that construction will be completed in December 2026 and principal payments will begin in January 2027.

### ***Currently Known Facts, Decisions, or Conditions***

At the time these financial statements were prepared and audited, the School faces several key factors that could significantly impact its future financial health. These include ongoing capital needs for campus expansion and security; a growing and successful international student programs, and a state law that will increase its capital funding:

- Strategic Capital Initiatives – Due to the surge in enrollment in its visual and performing arts (VAPA) programs, the School has started constructing a retrofit of the 800 building on campus. This construction will establish a premier performing arts center that serves as a vibrant hub for student creativity, community engagement, and artistic excellence, fostering the next generation of performers, technicians, and arts enthusiasts. The School has contracted with Summit Construction from Vero Beach, Florida, for the construction in the amount of approximately \$5.9 million, of which approximately \$2.6 million is unexpended as of June 30, 2026.

- International Program Growth and Financial Stability – The School’s international exchange program is significant and a growing revenue source. It has a strong reputation that attracts students from all over the world. The School currently collaborates with 11 international exchange companies and has already enrolled 40 students for the 2026-2027 school year. This program is expected to continue providing a stable revenue stream, and the School plans to conduct annual recruiting trips to ensure its ongoing success.
- AICE FTE Revenue – The expansion of the Cambridge Advanced International Certificate of Education (AICE) program will significantly enhance the School’s financial position for the future school years. This is primarily due to the way charter school funding is calculated using the full-time equivalent (FTE) model.

The AICE program directly increases the School’s funding through two key FTE multipliers:

- A 0.16 multiplier for every passed AICE exam.
- A 0.3 multiplier for every student who successfully earns the AICE Diploma

By transitioning from a program with only 200 Advanced Placement (AP) class seats to the AICE program with 600 seats, the School has tripled the number of opportunities for students to earn these funding multipliers. This increased enrollment in rigorous, advanced coursework directly translates into a substantial boost in state funding for the School.

- Increased Capital Outlay Funding – As previously discussed, a state law, §1013.62, which became effective on July 1, 2023, will be a major factor in the School’s future finances. This legislation mandates that school districts proportionally share discretionary millage revenues for capital outlay with charter schools. This law will provide a crucial and growing source of funding to support the School’s long-term capital needs and goals.

### **Contacting the School’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School’s finances and to demonstrate the School’s accountability for the money it receives. If you have any questions about this report or need additional information, contact the Indian River Charter High School, Inc., 6055 College Lane, Vero Beach, FL 32966.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Net Position

June 30, 2026

|                                                                                  | Total<br>Governmental<br>Activities |
|----------------------------------------------------------------------------------|-------------------------------------|
| Assets:                                                                          |                                     |
| Cash                                                                             | \$ 3,682,440                        |
| Other receivables                                                                | 31,418                              |
| Prepaid expenses                                                                 | 15,699                              |
| Capital assets, net of accumulated depreciation of \$8,873,337 (note 3)          | 14,289,736                          |
| Right-of-use asset, net of accumulated amortization of \$338,551 (notes 3 and 4) | <u>1,237,327</u>                    |
| Total assets                                                                     | <u>19,256,620</u>                   |
| Liabilities:                                                                     |                                     |
| Accounts payable                                                                 | 32,134                              |
| Construction contracts payable                                                   | 1,362,668                           |
| Accrued expenses                                                                 | 386,328                             |
| Deferred revenue                                                                 | 347,700                             |
| Liability for compensated absences (note 4)                                      | 49,101                              |
| Long-term debt (note 4):                                                         |                                     |
| Due within one year                                                              | 469,645                             |
| Due after one year                                                               | <u>5,900,874</u>                    |
|                                                                                  | <u>6,370,519</u>                    |
| Long-term lease liability (note 4):                                              |                                     |
| Due within one year                                                              | 48,890                              |
| Due after one year                                                               | <u>1,213,042</u>                    |
|                                                                                  | <u>1,261,932</u>                    |
| Total liabilities                                                                | <u>9,810,382</u>                    |
| Net Position:                                                                    |                                     |
| Invested in capital assets, net of related debt                                  | 6,531,944                           |
| Restricted for scholarships                                                      | 10,468                              |
| Unrestricted                                                                     | <u>2,903,826</u>                    |
| Total net position                                                               | \$ <u>9,446,238</u>                 |

See accompanying notes to basic financial statements.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Activities

Year Ended June 30, 2026

|                                                                 | <u>Expenses</u>     | <u>Program<br/>Revenues –<br/>Operating<br/>Grants and<br/>Contributions</u> | <u>Net (Expense)<br/>Revenue and<br/>Changes in Net<br/>Position –<br/>Governmental<br/>Activities</u> |
|-----------------------------------------------------------------|---------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Governmental activities:                                        |                     |                                                                              |                                                                                                        |
| Instruction                                                     | \$ 4,173,676        | 105,583                                                                      | (4,068,093)                                                                                            |
| Student and instructional support services                      | 379,320             | —                                                                            | (379,320)                                                                                              |
| School administration                                           | 1,112,956           | —                                                                            | (1,112,956)                                                                                            |
| Facilities acquisition and construction                         | 100,641             | —                                                                            | (100,641)                                                                                              |
| Food service                                                    | 1,822               | —                                                                            | (1,822)                                                                                                |
| Information services                                            | 79,346              | —                                                                            | (79,346)                                                                                               |
| Student transportation services                                 | 1,628               | —                                                                            | (1,628)                                                                                                |
| Operation of plant                                              | 1,066,824           | —                                                                            | (1,066,824)                                                                                            |
| Maintenance of plant                                            | 31,797              | —                                                                            | (31,797)                                                                                               |
| Administrative technology services                              | 294,700             | —                                                                            | (294,700)                                                                                              |
| Proprietary and fiduciary expenses                              | 322,758             | —                                                                            | (322,758)                                                                                              |
| Interest on long-term debt                                      | 200,257             | —                                                                            | (200,257)                                                                                              |
| Unallocated depreciation and amortization<br>expense            | <u>1,381,992</u>    | <u>—</u>                                                                     | <u>(1,381,992)</u>                                                                                     |
| Total governmental activities                                   | \$ <u>9,147,717</u> | <u>105,583</u>                                                               | <u>(9,042,134)</u>                                                                                     |
| General revenues:                                               |                     |                                                                              |                                                                                                        |
| Intergovernmental:                                              |                     |                                                                              |                                                                                                        |
| Local for operational purposes                                  |                     |                                                                              | 6,359,058                                                                                              |
| Local for capital projects                                      |                     |                                                                              | 735,767                                                                                                |
| State through local for operational purposes                    |                     |                                                                              | 12,000                                                                                                 |
| State through local for capital projects                        |                     |                                                                              | 414,691                                                                                                |
| Federal through state through local for<br>operational purposes |                     |                                                                              | 40,944                                                                                                 |
| Investment earnings                                             |                     |                                                                              | 77,889                                                                                                 |
| Miscellaneous                                                   |                     |                                                                              | <u>1,135,215</u>                                                                                       |
| Total general revenues                                          |                     |                                                                              | <u>8,775,564</u>                                                                                       |
| Change in net position                                          |                     |                                                                              | (266,570)                                                                                              |
| Net position, beginning of year                                 |                     |                                                                              | <u>9,712,808</u>                                                                                       |
| Net position, end of year                                       |                     | \$                                                                           | <u>9,446,238</u>                                                                                       |

See accompanying notes to basic financial statements.



**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

Year Ended June 30, 2026

|                                            | General<br>Fund     | Capital<br>Projects Fund | Total<br>Governmental<br>Funds |
|--------------------------------------------|---------------------|--------------------------|--------------------------------|
| Revenues:                                  |                     |                          |                                |
| Federal through state through local        | \$ 40,944           | —                        | 40,944                         |
| State through local                        | 12,000              | 414,691                  | 426,691                        |
| Local (note 6)                             | 6,359,058           | 735,767                  | 7,094,825                      |
| Contributions                              | 55,919              | 10,000                   | 65,919                         |
| Non-resident tuition                       | 631,367             | —                        | 631,367                        |
| Student fees                               | 105,583             | —                        | 105,583                        |
| Other                                      | 512,513             | 3,305                    | 515,818                        |
| Total revenues                             | <u>7,717,384</u>    | <u>1,163,763</u>         | <u>8,881,147</u>               |
| Expenditures:                              |                     |                          |                                |
| Current – education:                       |                     |                          |                                |
| Instruction                                | 4,174,246           | —                        | 4,174,246                      |
| Student and instructional support services | 379,320             | —                        | 379,320                        |
| School administration                      | 1,111,887           | —                        | 1,111,887                      |
| Facilities acquisition and construction    | 100,641             | —                        | 100,641                        |
| Food service                               | 1,822               | —                        | 1,822                          |
| Information services                       | 79,346              | —                        | 79,346                         |
| Student transportation services            | 1,628               | —                        | 1,628                          |
| Operation of plant                         | 1,066,824           | —                        | 1,066,824                      |
| Maintenance of plant                       | 31,797              | —                        | 31,797                         |
| Administrative technology services         | 294,700             | —                        | 294,700                        |
| Proprietary and fiduciary expenses         | 322,758             | —                        | 322,758                        |
| Debt service:                              |                     |                          |                                |
| Principal                                  | —                   | 510,377                  | 510,377                        |
| Interest                                   | —                   | 200,257                  | 200,257                        |
| Capital outlay:                            |                     |                          |                                |
| Facilities acquisition and construction    | —                   | 4,269,181                | 4,269,181                      |
| Total expenditures                         | <u>7,564,969</u>    | <u>4,979,815</u>         | <u>12,544,784</u>              |
| Other financing sources (uses)             |                     |                          |                                |
| Proceeds from long term debt               | —                   | 1,114,900                | 1,114,900                      |
| Total other financing sources (uses)       | <u>—</u>            | <u>1,114,900</u>         | <u>1,114,900</u>               |
| Net change in fund balances                | 152,415             | (2,701,152)              | (2,548,737)                    |
| Fund balances, beginning of year           | <u>6,579,390</u>    | <u>(2,429,926)</u>       | <u>4,149,464</u>               |
| Fund balances, end of year                 | \$ <u>6,731,805</u> | <u>(5,131,078)</u>       | <u>1,600,727</u>               |

See accompanying notes to basic financial statements.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds (Continued)

Year Ended June 30, 2026

Total  
Governmental  
Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities:

Net change in fund balances – total governmental funds \$ (2,548,737)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$4,269,181 exceeds depreciation and amortization expense of \$1,381,992. 2,887,189

Governmental funds recognize compensated absences expenditures based on the amounts actually paid for compensated absences. However, in the statement of activities, the cost of compensated absences is measured at the employee's rate of pay plus expected employment related costs at the date of the financial statements. This is the amount by which the liability at June 30, 2026 of \$49,101 exceeds the liability at June 30, 2025 of \$48,602. (499)

Certain capital outlays were financed by long term debt. The amount financed by long term debt is reported as a source of financing in governmental funds but not in the statement of activities. (1,114,900)

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term debt in the statement of net position and does not affect the statement of activities. 510,377

Change in net position of governmental activities \$ (266,570)

See accompanying notes to basic financial statements.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Fiduciary Net Position  
Custodial Funds

June 30, 2026

|                    | Total<br>Custodial<br>Funds |
|--------------------|-----------------------------|
| Assets:            |                             |
| Cash               | \$ <u>13,617</u>            |
| Total assets       | <u>13,617</u>               |
| Liabilities        | <u>—</u>                    |
| Total net position | \$ <u>13,617</u>            |

Statement of Changes in Fiduciary Net Position  
Custodial Funds

Year Ended June 30, 2026

|                                        | Total<br>Custodial<br>Funds |
|----------------------------------------|-----------------------------|
| Additions:                             |                             |
| Student activity revenues              | \$ 6,333                    |
| Deductions:                            |                             |
| Student activity services expenses     | <u>2,234</u>                |
| Net increase in fiduciary net position | 4,099                       |
| Net position:                          |                             |
| Beginning of year                      | <u>9,518</u>                |
| Ending of year                         | \$ <u>13,617</u>            |

See accompanying notes to basic financial statements.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

June 30, 2026

**(1) Organization and Summary of Significant Accounting Policies**

Indian River Charter High School, Inc. (the School) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 228.056, Florida Statutes. The School was incorporated on March 27, 1998 and is governed by a Board of Directors.

The general operating authority of the School is contained in Section 228.056, Florida Statutes. The School operates under a charter of the sponsoring school district, the Indian River County District School Board (the District). The current charter was renewed on May 22, 2018 and is effective until June 30, 2033. The charter may be renewed by mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

The accounting policies of the School conform to accounting principles generally accepted in the United States of America applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The following is a summary of the more significant policies.

**(a) Reporting Entity**

The reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of or provide financial support to the organization; or (c) is obligated in some manner for the debt of the organization. There are no component units of the School.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

**(b) *Basic Financial Statements***

The basic financial statements include both School-Wide (based on the School as a whole) and fund financial statements. Both the School-Wide and fund financial statements categorize primary activities as either governmental or business type. In the School-Wide statement of net position, governmental and business-type activities are presented separately and are reflected on a full accrual, economic resource basis, which incorporates long-term assets as well as long-term debt. As of and for the year ended June 30, 2026, the School had no activities that would be considered business-type.

The School-Wide statement of activities reflects both the gross and net costs per functional category (instruction, administration, maintenance, etc.), which are otherwise supported by general government revenues, such as property taxes and intergovernmental revenues. The statement of activities reduces gross expenses, including depreciation, by related program revenues such as discretionary grants that can be used for either operating or capital purposes. The net cost by function is normally covered by general revenues.

This School-Wide focus is more on the sustainability of the School as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The governmental funds in the fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to demonstrate legal compliance and the source and use of liquid resources. Revenues are recognized when they become measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Generally, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal year. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the School-Wide statements, reconciliations are presented on each of the fund financial statements, which briefly explain the adjustments necessary to transform the fund based financial statements into the total governmental column of the School-Wide presentation.

The School's fiduciary funds are presented in the fund financial statements and since, by definition, these assets are being held for the benefit of others and cannot be used to address activities or obligations of the School, these funds are not incorporated into the School-Wide financial statements.

**(c) *Basis of Presentation***

The financial transactions of the School are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that records cash and other financial resources, liabilities, reserves, fund equity, revenues, and expenditures.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

**Governmental Funds**

The School defines governmental funds in accordance with the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The School has determined all of its funds to be major funds, as described below.

General Fund

The General Fund is the general operating fund of the School. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund

Capital projects funds are used to account for and report the financial resources that are restricted, committed, or assigned to expenditure for educational capital outlay needs, including new construction or renovation and remodeling projects and other capital assets. During the year ended June 30, 2026, the School used the capital projects fund to account for capital outlays funded by capital outlay revenues and long-term debt.

**Proprietary Funds**

The focus of proprietary fund measurement is upon determination of operating income, changes in fund net position, financial position, and cash flows, which is similar to businesses. As of and for the year ended June 30, 2026, the School had no activities which would be accounted for in a proprietary fund.

**Fiduciary Funds – Custodial Funds**

The School accounts for the scholarship funds and the student activities funds in the custodial fiduciary fund.

**(d) Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The School-Wide financial statements are presented on an accrual basis of accounting, while the governmental funds in the fund financial statements are presented on a modified accrual basis.

Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized when they are susceptible to accrual; when they become measurable and available to finance the School's operations. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recorded when the liabilities are incurred.

In applying the "susceptible to accrual" concept to intergovernmental revenues, the School may recognize receivables and revenue when the applicable eligibility requirements including time requirements have been met. Revenues for certain grants are recognized when the expenditures are made when grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources. Resources provided before eligibility requirements are met are reported as deferred revenues.

**(e) *Budgets and Budgetary Accounting***

The School annually adopts a budget for all governmental funds. Budgets are presented on the modified accrual basis of accounting. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget, which has been adjusted for authorized revisions during the year.

**(f) *Deposits in Financial Institutions***

The School's cash is held in demand deposit accounts with financial institutions, which are insured by Federal depository insurance. As of June 30, 2026, the School's demand deposit accounts exceeded the Federal deposit insurance limits by approximately \$100,000 and accordingly were uninsured.

**(g) *Capital Assets***

Property and equipment purchased are reported at historical cost, net of accumulated depreciation, in the School-Wide financial statements but are not reported in the governmental fund financial statements. Contributed property and equipment are recorded at the fair market value at the time received. Expenditures for capital assets are reported in the governmental fund that financed the acquisition or construction. The School's capitalization level is \$1,000. Other costs incurred for repair and maintenance are expensed as incurred.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

Depreciation and amortization on all assets are recorded in the School-Wide financial statements only and is provided on a straight-line basis over the following estimated useful lives:

|                                    | <u>Years</u>                         |
|------------------------------------|--------------------------------------|
| Improvements other than buildings  | 10 – 20                              |
| Buildings and improvements         | 10 – 25                              |
| Furniture, fixtures, and equipment | 5 – 10                               |
| Audio/visual equipment             | 7                                    |
| Computer software                  | 5                                    |
| Leased assets                      | Shorter of lease term or useful life |
| Subscription assets                | Subscription term                    |

**(h) *Compensated Absences***

School policies provide for compensated absences for vacation, sickness, and other personal leave for all regular, full-time employees. An employee may accrue leave based on School policy which differs between full time instructional staff and full time year-round administrative staff. Upon voluntary separation of employment, full time instructional staff is entitled to payment of a maximum of 96 hours of personal leave at the daily rate of a substitute teacher and full time administrative staff is entitled to payment of a maximum of 144 hours of vacation pay at their standard pay rate. These balances are recognized as a liability at June 30, 2026. Other types of leave would be recognized as a liability if it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

**(i) *Long-Term Liabilities***

Long-term debt and lease liabilities that will be financed by resources to be received in the future are reported in the School-Wide financial statements, but not in the governmental fund financial statements.

**(j) *Fund Balance Reporting***

The School classifies fund balances in accordance with the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which established fund balance classifications based primarily on the extent to which the School is bound to observe constraints imposed upon the use of resources in governmental funds, as summarized below (in order of spending).

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

Nonspendable

Nonspendable fund balance represents resources that are not in spendable form or are legally required to be maintained intact. The School's nonspendable fund balance consists of prepaid expenses and assets permanently restricted for scholarships as of June 30, 2026.

Restricted

Restricted fund balance represents resources that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The School's restricted fund balances generally consist of resources held for capital projects and scholarships.

Committed

Committed fund balance represents resources that can be spent only for the specific purposes established by the School's Board of Directors (the School's highest level of decision-making authority). The School's committed fund balances consist of resources set aside by the board for payment of insurance deductibles in the case of a catastrophic storm.

Assigned

Assigned fund balance represents resources that are intended to be spent for specific purposes, but do not meet the definition of restricted or committed fund balances. The School's Board of Directors, committees of the Board of Directors and School management have the ability to assign fund balances.

Unassigned

Unassigned fund balance represents resources that do not have any constraints upon spending.

Fund Deficits

The School has accumulated a fund balance deficit in the capital projects fund of \$5,131,078. Management plans to restore this deficit through expected increased capital outlay funding as a result of the enactment of FL HB 1259, which resets the calculation of how the District shares capital funding with the School and removes the state funding threshold. The District will now be required to share equally with the School, based on unweighted FTE students, the discretionary capital outlay millage revenue, also known as \$1.5 millage revenue. The bill provides a 5-year glide path resulting in the School receiving 100% of its calculated share of the \$1.5 millage revenue. Management anticipates being able to repay the general fund for the funds advanced for capital projects and therefore have not transferred funds during the year ended June 30, 2026.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

**(k) Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 228.056(13), Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the District. Under provisions of Section 236.081, Florida Statutes, the District reports the number of 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, and the actual weighted FTE students reported by the School during the designated FTE student survey periods.

**(l) Income Taxes**

The School is generally exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. In accordance with the Internal Revenue Code, the School is not considered a private foundation.

The School's income tax filings are subject to audit by various taxing authorities. The School's open audit periods are 2023-2026.

**(m) Use of Estimates**

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

**(2) Receivables**

As of June 30, 2026, the School's general fund was due \$4,226,856 from the capital projects fund for capital expenditures funded by the general fund.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

**(3) General Capital Assets**

The following is a summary of the changes in the School's governmental capital assets for the year ended June 30, 2026:

|                                                    | Balance<br><u>2025</u> | <u>Additions</u> | Retirements<br>and<br><u>Transfers</u> | Balance<br><u>2026</u> |
|----------------------------------------------------|------------------------|------------------|----------------------------------------|------------------------|
| Improvements other than buildings                  | \$ 1,406,601           | —                | (14,013)                               | 1,392,588              |
| Buildings and improvements                         | 14,459,385             | 53,744           | (3,083)                                | 14,510,046             |
| Construction in progress                           | 62,500                 | 3,439,948        | —                                      | 3,502,448              |
| Furniture, fixtures, and equipment                 | 3,851,425              | 645,486          | (763,915)                              | 3,732,996              |
| Audio/visual equipment                             | 74,604                 | —                | (70,468)                               | 4,136                  |
| Computer software                                  | 20,859                 | —                | —                                      | 20,859                 |
| Leased land                                        | 1,365,222              | —                | —                                      | 1,365,222              |
| Leased equipment                                   | 37,163                 | 52,051           | (37,163)                               | 52,051                 |
| Subscription assets                                | <u>101,747</u>         | <u>77,951</u>    | <u>(21,093)</u>                        | <u>158,605</u>         |
| Total capital assets                               | <u>21,379,506</u>      | <u>4,269,180</u> | <u>(909,735)</u>                       | <u>24,738,951</u>      |
| Less accumulated depreciation for:                 |                        |                  |                                        |                        |
| Improvements other than buildings                  | 518,049                | 37,545           | (14,013)                               | 541,581                |
| Buildings and improvements                         | 6,159,026              | 612,358          | (3,083)                                | 6,768,301              |
| Furniture, fixtures, and equipment                 | 1,694,372              | 608,002          | (763,915)                              | 1,538,459              |
| Audio/visual equipment                             | 57,955                 | 16,650           | (70,468)                               | 4,137                  |
| Computer software                                  | 20,859                 | —                | —                                      | 20,859                 |
| Less accumulated amortization for:                 |                        |                  |                                        |                        |
| Leased assets                                      | 222,674                | 71,315           | (37,163)                               | 256,826                |
| Subscription assets                                | <u>66,696</u>          | <u>36,122</u>    | <u>(21,093)</u>                        | <u>81,725</u>          |
| Total accumulated depreciation<br>and amortization | <u>8,739,631</u>       | <u>1,381,992</u> | <u>(909,735)</u>                       | <u>9,211,888</u>       |
| Governmental capital assets, net                   | \$ <u>12,639,875</u>   | <u>2,887,188</u> | <u>—</u>                               | <u>15,527,063</u>      |

During the year ended June 30, 2026, the School entered into a contract to renovate the existing performing arts center. The estimated cost is approximately \$6.35 million, which will be funded with a mortgage note payable (see note 4). The outstanding construction commitment approximated \$1.06 million as of June 30, 2026. Construction is expected to be completed in September 2026.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

**(4) Long-Term Obligations**

Long-Term Debt from Direct Borrowings

Long-term debt associated with direct borrowings as of June 30, 2026 is as follows:

|                                                                                                                                                                                                            | Balance<br><u>2025</u> | <u>Additions</u> | <u>Repayments</u> | Balance<br><u>2026</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------|-------------------|------------------------|
| Mortgage note payable of \$7,500,000,<br>with monthly payments of \$51,369,<br>including interest at 2.84%, through<br>May 29, 2036.                                                                       | \$ 5,764,694           | —                | (457,025)         | 5,307,669              |
| Mortgage note payable of \$6,350,000,<br>with interest only payments at 4.65%<br>during the construction (see note 3),<br>and then monthly interest and<br>principal payments through October<br>14, 2042. | <u>—</u>               | 1,062,850        | <u>—</u>          | 1,062,850              |
|                                                                                                                                                                                                            | <u>\$ 5,764,694</u>    | 1,062,850        | (457,025)         | <u>6,370,519</u>       |

The School's mortgage notes payable are collateralized by a mortgage on underlying School property and contains provisions that in the event of default, the interest rate is increased by 4% and all amounts become immediately due.

The future maturities of long-term debt, including anticipated borrowings available under the \$6,350,000 mortgage note payable, as of June 30, 2026 are as follows:

|                                                                       | <u>Principal</u>    | <u>Interest</u>  | <u>Total</u>      |
|-----------------------------------------------------------------------|---------------------|------------------|-------------------|
| 2027                                                                  | \$ 469,645          | 194,246          | 663,891           |
| 2028                                                                  | 689,233             | 332,958          | 1,022,191         |
| 2029                                                                  | 806,311             | 398,148          | 1,204,459         |
| 2030                                                                  | 835,498             | 368,962          | 1,204,460         |
| 2031                                                                  | 865,805             | 338,655          | 1,204,460         |
| 2032 – 2036                                                           | 4,770,661           | 1,196,397        | 5,967,058         |
| 2037 – 2041                                                           | 2,461,716           | 478,420          | 2,940,136         |
| 2042 – 2043                                                           | <u>758,800</u>      | <u>25,235</u>    | <u>784,035</u>    |
|                                                                       | \$ 11,657,669       | <u>3,333,021</u> | <u>14,990,690</u> |
| Less undrawn loan proceeds available at<br>June 30, 2026 (see note 3) | <u>(5,287,150)</u>  |                  |                   |
| Outstanding at June 30, 2026                                          | <u>\$ 6,370,519</u> |                  |                   |

During the year ended June 30, 2026, interest expense on long-term debt totaled \$162,993.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

Leases and Subscription-Based Information Technology Arrangements

Long-term liabilities associated with leases and subscription-based information technology arrangements as of June 30, 2026 are as follows:

|              | Balance<br><u>2025</u> | <u>Additions</u> | <u>Repayments</u> | Balance<br><u>2026</u> |
|--------------|------------------------|------------------|-------------------|------------------------|
| Land lease   | \$ 1,255,758           | —                | (30,734)          | 1,225,024              |
| Copier lease | <u>7,476</u>           | <u>52,050</u>    | <u>(22,618)</u>   | <u>36,908</u>          |
|              | \$ <u>1,263,234</u>    | <u>52,050</u>    | <u>(53,352)</u>   | <u>1,261,932</u>       |

The School leases land and certain buildings under a lease agreement with Indian River State College, which runs through October 31, 2039.

The lease provides for payments of \$5,250 per month for each of the five years ending March 31, 2023; \$5,500 per month for each of the five years ending March 31, 2028; \$5,750 per month for each of the five years ending March 31, 2033; \$6,000 per month for each of the five years ending March 31, 2038; and \$6,250 per month through October 31, 2039. The lease has an option to be renewed for ten additional years.

The School leases their copying equipment under an agreement that provides for monthly payments of \$1,078 through January 2026, continuing on a month-to-month basis thereafter. During the current year, the School entered into an additional agreement for copying equipment through July 2028, that provides for monthly payments of \$1,552, continuing on a month-to-month basis thereafter.

The School has entered into several subscription-based information technology arrangements for periods between 3 and 5 years. Currently all subscription-based information technology arrangements are fully prepaid, and as such, there are no related liabilities.

The future maturities of long-term leases, as of June 30, 2026 are as follows:

|                              | <u>Principal</u>    | <u>Interest</u> | <u>Total</u>     |
|------------------------------|---------------------|-----------------|------------------|
| 2027                         | \$ 48,890           | 35,732          | 84,622           |
| 2028                         | 51,371              | 34,000          | 85,371           |
| 2029                         | 38,071              | 32,480          | 70,551           |
| 2030                         | 37,576              | 31,424          | 69,000           |
| 2031                         | 38,658              | 30,342          | 69,000           |
| 2032 - 2036                  | 220,827             | 133,923         | 354,750          |
| 2037 - 2041                  | 270,575             | 99,175          | 369,750          |
| 2042 - 2046                  | 317,701             | 57,299          | 375,000          |
| 2047 - 2051                  | <u>238,263</u>      | <u>11,737</u>   | <u>250,000</u>   |
| Outstanding at June 30, 2026 | \$ <u>1,261,932</u> | <u>466,112</u>  | <u>1,728,044</u> |

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

During the year ended June 30, 2026, interest expense on leases totaled \$37,264.

Liability for Compensated Absences

Long-term liabilities associated with compensated absences as of June 30, 2026 are as follows:

|                                    | Balance<br><u>2025</u> | <u>Net Change</u> | Balance<br><u>2026</u> |
|------------------------------------|------------------------|-------------------|------------------------|
| Liability for compensated absences | \$ <u>48,603</u>       | <u>498</u>        | <u>49,101</u>          |

(5) ***Schedule of Local Revenue Sources***

The following is a schedule of local revenue sources received from the District:

| <u>Sources</u>                    | <u>Amount</u>       |
|-----------------------------------|---------------------|
| Florida Education Finance Program | \$ 5,231,316        |
| Class size                        | 606,142             |
| Teacher salary increase           | 254,563             |
| Capital improvements tax          | 735,767             |
| Education enrichment share        | 146,334             |
| Safe schools                      | 74,100              |
| Mental health assistance          | <u>46,604</u>       |
| Total                             | \$ <u>7,094,826</u> |

The School's revenues are based on FTE funding, as described in note 1(k), which are subject to the terms and conditions of applicable state regulations and the School's charter agreement with the District, and subject to audit. Any disallowance resulting from an audit may become a liability of the School.

The School's charter contract provides for a discretionary District administrative fee of up to 5% of the revenues received on a per-student basis. During the 2025-2026 school year, and in consideration of the School's classification as a "high performing charter school," the state of Florida provided for the administrative fee to be assessed on the first 250 students at a rate of 2%. In accordance with this provision, the District withheld \$41,272 from the School's revenues for the year ended June 30, 2026, which was included in school administration expenses in the accompanying statement of activities and statement of revenues, expenditures, and changes in fund balances.

(Continued)

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Basic Financial Statements

**(6) Risk Management**

The School maintains general liability, professional liability, automobile liability, and workers' compensation coverages through purchased commercial insurance with minimal or no deductibles for each line of coverage. The School also maintains property coverage with a deductible of \$5,000 for all perils except wind or hail. For these perils, the deductible is 5%, with a minimum of \$50,000. During each of the three years ended June 30, 2026, 2025, and 2024, the school experienced no settlements in excess of insurance coverage.

**(7) Pension Plan**

The School's employees participate in a salary deferral plan under Internal Revenue Code 403(b). The School contributes on a discretionary basis 15% of all full-time employees' salaries and matches the first \$500 in employee contributions on a dollar-for-dollar basis. The employees vest in all employer contributions evenly over a three-year period of service. Employees hired after September 1, 2008 vest in all employer contributions evenly over a five-year period of service. During the year ended June 30, 2026, the School provided for contributions approximating \$597,947.

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Statement of Revenues, Expenditures and  
Changes in Fund Balances – Budget and Actual  
General Fund

Year Ended June 30, 2026

|                                               | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | <u>Favorable<br/>(Unfavorable)<br/>Variance with<br/>Final Budget</u> |
|-----------------------------------------------|-------------------------|------------------|------------------|-----------------------------------------------------------------------|
|                                               | <u>Original</u>         | <u>Final</u>     |                  |                                                                       |
| Revenues:                                     |                         |                  |                  |                                                                       |
| Federal through state through local           | \$ 58,200               | 58,200           | 40,944           | (17,256)                                                              |
| State through local                           | —                       | —                | 12,000           | 12,000                                                                |
| Local                                         | 6,330,344               | 6,330,344        | 6,359,058        | 28,714                                                                |
| Non-resident tuition                          | 500,000                 | 500,000          | 631,367          | 131,367                                                               |
| Other                                         | <u>313,000</u>          | <u>313,000</u>   | <u>674,015</u>   | <u>361,015</u>                                                        |
| Total revenues                                | <u>7,201,544</u>        | <u>7,201,544</u> | <u>7,717,384</u> | <u>515,840</u>                                                        |
| Expenditures:                                 |                         |                  |                  |                                                                       |
| Current – education:                          |                         |                  |                  |                                                                       |
| Instruction                                   | 3,987,540               | 3,987,540        | 4,174,246        | (186,706)                                                             |
| Student and instructional<br>support services | 459,639                 | 459,639          | 379,320          | 80,319                                                                |
| School administration                         | 927,328                 | 927,328          | 1,111,887        | (184,559)                                                             |
| Facilities acquisition and<br>construction    | 92,899                  | 92,899           | 100,641          | (7,742)                                                               |
| Food service                                  | 2,500                   | 2,500            | 1,822            | 678                                                                   |
| Information services                          | 76,938                  | 76,938           | 79,346           | (2,408)                                                               |
| Student transportation services               | 300                     | 300              | 1,628            | (1,328)                                                               |
| Operation of plant                            | 1,001,761               | 1,001,761        | 1,066,824        | (65,063)                                                              |
| Maintenance of plant                          | 18,500                  | 18,500           | 31,797           | (13,297)                                                              |
| Administrative technology<br>services         | 282,850                 | 282,850          | 294,700          | (11,850)                                                              |
| Proprietary and fiduciary<br>expenses         | <u>—</u>                | <u>—</u>         | <u>322,758</u>   | <u>(322,758)</u>                                                      |
| Total expenditures                            | <u>6,850,255</u>        | <u>6,850,255</u> | <u>7,564,969</u> | <u>(714,714)</u>                                                      |
| Net change in fund balance                    | 351,289                 | 351,289          | 152,415          | (198,874)                                                             |
| Fund balance, beginning of year               | <u>6,579,390</u>        | <u>6,579,390</u> | <u>6,579,390</u> | <u>—</u>                                                              |
| Fund balance, end of year                     | \$ <u>6,930,679</u>     | <u>6,930,679</u> | <u>6,731,805</u> | <u>(198,874)</u>                                                      |

**INDIAN RIVER CHARTER HIGH SCHOOL, INC.**  
(A Component Unit of the Indian River County District School Board)

Notes to Statement of Revenues, Expenditures and  
Changes in Fund Balances – Budget and Actual  
General Fund

Year Ended June 30, 2026

**(1) *Budgetary Basis of Accounting***

The accompanying statement of revenues, expenditures, and changes in fund balance – budget and actual for the general fund of the School (the Statement) presents comparisons of the legally adopted original budget and final budget with actual data on the budgetary basis. There were no budget amendment changes between the original and final budgets during the year ended June 30, 2026.

**(2) *Explanation of Significant Budgetary Variances***

In accordance with GASB Statement No. 103, significant variances between the original and final budget, and between the final budget and actual results, are addressed below:

**•Original vs. Final Budget (Significant Original-to-Final Variance)**

- There were no significant original-to-final variances.

**•Final Budget vs. Actual (Significant Final-to-Actual Variance)**

- *Nonresident Tuition* – Actual revenue was approximately \$130,000 (26.2%) higher than the final budget as the School attracted more exchange students than expected as the program's popularity continues to grow.
- *Other Revenue* – Actual revenue was approximately \$360,000 (115.3%) higher than the final budget due to student activity revenue of approximately \$300,000 not being budgeted.
- *School Administration Expenses* – Actual expenses were approximately \$180,000 (19.9%) higher than the final budget due to the School hiring an additional administrative employee and additional costs associated with the administration of construction and debt that were not capital type expenses.
- *Proprietary and Fiduciary Expenses* – Actual expenses were approximately \$320,000 (100%) higher than the final budget due to the School not budgeting student activity expenses, which offset the other revenue noted above.

**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***

The Board of Directors  
Indian River Charter High School, Inc.:

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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Indian River Charter High School, Inc., a component unit of the Indian River County District School Board, 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 10, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic 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 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 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 may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free of 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



### **Purpose of this Report**

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

*Jacoby and Handley, PLLC*

September 10, 2026

## **Management Letter**

The Board of Directors  
Indian River Charter High School, Inc.:

### **Report on the Financial Statements**

We have audited the financial statements of Indian River Charter High School, Inc., (the School) as of and for the year ended June 30, 2026, and have issued our report thereon dated September 10, 2026.

### **Auditors' Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent Auditors' 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 these reports, which are dated September 10, 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. In connection with our preceding annual financial audit, we did not have any such recommendations.

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title for the charter school and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the School is Indian River Charter High School, Inc. and the school code assigned by the Florida Department of Education is 315001.



### **Financial Condition and Management**

Section 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.

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

### **Transparency**

Section 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 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, or abuse, that has occurred, or is likely to have occurred, that has 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, the Indian River County District School Board, the School's Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*Jacoby and Hauden, PLLC*

September 10, 2026