

Lincoln-Marti Charter Schools, Inc.
Osceola Campus Charter School
(A Component Unit of the School Board of
Osceola County)

Financial Statements
Years Ended June 30, 2026 and 2025

The report accompanying these financial statements was issued by
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Lincoln-Marti Charter Schools, Inc.
Osceola Campus Charter School
(A Component Unit of the School Board of Osceola County)

Financial Statements
Years Ended June 30, 2026 and 2025

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Osceola Campus Charter School
(A Component Unit of the School Board of Osceola County)

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Independent Auditor's Report

Board of Directors
Lincoln-Marti Charter Schools, Inc.
Osceola Campus Charter School
(A Component Unit of the School Board of Osceola County)
Miami, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major fund of Lincoln-Marti Charter Schools, Inc. Osceola Campus Charter School (the "School") (a Component Unit of Osceola County), as of and for the years ended June 30, 2026 and 2025, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the School, as of June 30, 2026 and 2025, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the School and do not purport to, and do not, present fairly the financial position of Lincoln-Marti Charter Schools, Inc., as of June 30, 2026 and 2025, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

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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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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



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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 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 the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

BDO USA, P.C.

Miami, FL
August 27, 2026

Lincoln-Marti Charter Schools, Inc.
Osceola Campus Charter School
(A Component Unit of the School Board of Osceola County)

Management's Discussion and Analysis

As management of Lincoln-Marti Charter Schools, Inc. (Osceola Campus Charter School) (the "School"), we offer readers this narrative overview and analysis of the financial activities of the School as of and for the years ended June 30, 2026, 2025 and 2024.

Management's discussion and analysis provides, in layman's terms, the past and current position of the School's financial condition. This summary should not be taken as a replacement for the audited financial statements, which consists of the financial statements and supplementary information intended to furnish additional detail to support the financial statements themselves.

Financial Highlights

Our financial statements provide these insights into the results of this current and prior years' operations.

The School's current year of operations generated a change in net position of \$(317,614) compared to a change in net position of \$96,324 and \$81,106 in fiscal years 2025 and 2024, respectively. Revenues for the year ended June 30, 2026 decreased from the prior year by approximately \$332,000 mainly as a result of a decrease in state FTE revenues of approximately \$228,000, which was due to decreased enrollment. Revenues for the year ended June 30, 2025 increased from the prior year by approximately \$251,000 mainly as a result of an increase in state FTE revenues of approximately \$200,000, which was due to decreased enrollment. Revenues also included Employee Retention Credits income of approximately \$50,000.

Expenses during the year ended June 30, 2026 increased over prior year by approximately \$82,000 mainly due to an increase in fiscal services, which was due to an increase in school safety presence. Expenses during the year ended June 30, 2025 increased over prior year by approximately \$236,000 mainly due to an increase in instruction.

The net position of the School at June 30, 2026, 2025 and 2024 was \$1,036,044, \$1,353,658 and \$1,257,334, of which \$836,936, \$1,199,550 and \$1,184,177, respectively, was unrestricted.

Using this Annual Report

This discussion and analysis is intended to serve as an introduction to the School's financial statements. The School's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The statements of net position present information on all the School's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

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Management's Discussion and Analysis

The statements of activities present information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues and services rendered but unpaid).

The government-wide financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instructional and support services.

The government-wide financial statements can be found on pages 13 through 15 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School's only fund is the General Fund, a governmental fund type.

Government Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflow and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheets and the governmental fund statements of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains only one governmental fund type, which is the General Fund. Information is presented in the governmental fund balance sheets and the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund.

The School adopts an annual budget for its governmental fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget and is presented as required supplementary information.

The governmental fund financial statements can be found on pages 16 and 17 of this report.

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Management's Discussion and Analysis

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19 through 28 of this report.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary information for the School's General Fund. Required supplementary information can be found on pages 30 through 32 of this report.

Government-Wide Financial Analysis

Our analysis of the financial statements of the School begins below. The Statements of Net Position and the Statements of Activities report information about the School's activities that will help answer questions about the position of the School.

Net Position

A summary of the School's Net Position is presented in Table A-1 and a summary of the changes in net position is presented in Table A-2.

Table A-1 - Summary of Net Position

<i>June 30,</i>	2026	2025	2024
Assets			
Current assets	\$ 870,563	\$ 1,229,899	\$ 1,209,829
Capital assets, net	238,706	284,250	292,077
Total Assets	1,109,269	1,514,149	1,501,906
Liabilities and Net Position			
Liabilities			
Current liabilities	33,627	30,349	25,652
Noncurrent liabilities	39,598	130,142	218,920
Total Liabilities	73,225	160,491	244,572
Net Position			
Net investment in capital assets	199,108	154,108	73,157
Unrestricted	836,936	1,199,550	1,184,177
Total Net Position	\$ 1,036,044	\$ 1,353,658	\$ 1,257,334

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Management's Discussion and Analysis

Table A-2 - Summary of Changes in Net Position

<i>Year ended June 30,</i>	2026	2025	2024
Revenues			
State FTE revenues	\$ 716,010	\$ 943,747	\$ 744,162
Local grants, other contributions, and other	157,221	234,023	215,331
Contributions of nonfinancial assets	117,864	145,405	112,963
Total Revenues	991,095	1,323,175	1,072,456
Expenses			
Instruction	622,219	659,957	515,966
Instruction and curriculum development services	19,519	17,711	4,387
Instructional staff training services	32,000	13,500	2,187
School board	34,742	1,000	20,208
School administration	18,377	7,976	3,371
Fiscal services	148,353	97,417	41,671
Food services	117,864	145,405	112,963
Central services	36,321	15,000	-
Operation of plant	253,894	242,279	238,931
Maintenance of plant	21,075	19,032	39,952
Debt service	4,345	7,574	11,714
Total Expenses	1,308,709	1,226,851	991,350
Change in Net Position	(317,614)	96,324	81,106
Net Position, beginning	1,353,658	1,257,334	1,176,228
Net Position, ending	\$ 1,036,044	\$ 1,353,658	\$ 1,257,334

As noted in Table A-2, the cost of all governmental activities during the years ended June 30, 2026, 2025 and 2024 was \$1,308,709, \$1,226,851 and \$991,350, respectively. The majority of these activities were financed through general revenues of \$716,010, \$943,747 and \$744,162, which consist of state FTE revenues for the years ended June 30, 2026, 2025 and 2024, respectively.

See "Financial Highlights" on page 6 of this report for a further explanation of the reason for the increase in net position.

Financial Analysis of the School's Fund

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

Governmental Fund - The focus of the School's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing

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Management's Discussion and Analysis

the School's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the School's fiscal year of operations for 2026, 2025 and 2024, fund balance of the General Fund was \$836,936, \$1,199,550 and \$1,184,177, respectively. The General Fund is the chief operating fund and only fund of the School.

A summary of the General Fund's condensed balance sheets and statements of revenues, expenditures and changes in fund balance is presented in Table B-1 and B-2 as of and for the years ended June 30, 2026, 2025 and 2024.

Table B-1 - Summary of Condensed Balance Sheets

<i>June 30,</i>	2026	2025	2024
Total Assets	\$ 870,563	\$ 1,229,899	\$ 1,209,829
Total Liabilities	33,627	30,349	25,652
Total Fund Balance	836,936	1,199,550	1,184,177
Total Liabilities and Fund Balance	\$ 870,563	\$ 1,229,899	\$ 1,209,829

Table B-2 - Summary of Condensed Statements of Revenues, Expenditures and Changes in Fund Balance

<i>Year ended June 30,</i>	2026	2025	2024
Total Revenues	\$ 991,095	\$ 1,323,175	\$ 1,072,456
Total Expenditures	1,353,709	1,307,802	1,036,618
Change in Fund Balance	\$ (362,614)	\$ 15,373	\$ 35,838

Major Governmental Funds Budgeting and Operating Highlights

An operating budget was adopted and maintained by the governing board for the School pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There were no amendments to the budget during the fiscal year ended June 30, 2026.

The General Fund's actual revenues were \$991,095 for the year ended June 30, 2026. This is below the budget estimates primarily due to lower than expected local grants, other contributions, and others, which was due to less than expected referendum funds received. The actual expenditures of the General Fund were \$1,353,709 for the fiscal year ended June 30, 2026. This is above the

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Management's Discussion and Analysis

budget estimates primarily due to higher than expected instruction and fiscal services, which was due to less of a decrease in enrollment than expected.

The General Fund's actual revenues were \$1,323,175 for the year ended June 30, 2025. This is above the budget estimates primarily due to higher than expected state FTE revenues and contributions of nonfinancial assets. The actual expenditures of the General Fund were \$1,307,802 for the fiscal year ended June 30, 2025. This is above the budget estimates primarily due to higher than expected instruction expenses.

Capital Assets

At June 30, 2026, 2025 and 2024, the School had \$865,795, \$788,816 and \$691,858 invested in a right-to-use lease asset, classroom furniture, fixtures, equipment, and other assets, of which \$627,089, \$504,566 and \$399,781 has been depreciated/amortized, which resulted in a net book value of \$238,706, \$284,250 and \$292,077, respectively. Total additions for the years ended June 30, 2026, 2025 and 2024 were \$76,979, \$96,958 and \$71,450, respectively. The additions were related to remodeling and renovations, in addition to new textbooks.

Debt Administration

At the end of the School's fiscal year of operations for 2026, 2025 and 2024, the School had a total lease liability of \$39,598, \$130,142 and \$218,920, respectively. The lease term is for a period of nine years, expiring in December 2026, and includes a provision for escalating annual rentals based on a rate of 4% per year. An initial lease liability was recorded in the amount of \$483,447, using an annual interest rate of 4.5%.

A summary of the lease liability at each fiscal year end is detailed as follows:

June 30,	2026	2025	2024
Lease liability, due within one year	\$ 39,598	\$ 90,544	\$ 82,104
Lease liability, due in more than one year	-	39,598	136,816
Total lease liability	\$ 39,598	\$ 130,142	\$ 218,920

Economic Factors and Next Year's Budget

The State of Florida education funding for the Florida Education Finance Program for the fiscal year 2025-2026 minimally increased. Student enrollment is expected to increase in the upcoming fiscal years. These factors were considered in preparing the School's budget for fiscal year 2026-2027.

Requests for Information

This financial report is designed to provide a general overview of the School's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Directors of Lincoln-Marti Charter Schools, Inc., 2700 SW 8th Street, Miami, FL 33135.

Financial Statements

Lincoln-Marti Charter Schools, Inc.
Osceola Campus Charter School
(A Component Unit of the School Board of Osceola County)

Statements of Net Position

<i>June 30,</i>	2026	2025
Assets		
Cash	\$ 846,310	\$ 1,229,899
Prepaid expenses	24,253	-
Capital assets:		
Right-to-use lease asset	483,447	483,447
Classroom furniture, fixtures, equipment and other	382,348	305,369
Less accumulated depreciation/ amortization	(627,089)	(504,566)
Total Assets	1,109,269	1,514,149
Liabilities and Net Position		
Liabilities		
Accounts payable and accrued expenses	33,627	30,349
Noncurrent liabilities:		
Due within one year		
Lease liability	39,598	90,544
Due in more than one year		
Lease liability	-	39,598
Total Liabilities	73,225	160,491
Net Position		
Net investment in capital assets	199,108	154,108
Unrestricted	836,936	1,199,550
Total Net Position	1,036,044	1,353,658
Total Liabilities and Net Position	\$ 1,109,269	\$ 1,514,149

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

Lincoln-Marti Charter Schools, Inc.
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Statements of Activities

<i>Year ended June 30, 2026</i>		Program Revenues			Net (Expenses)
		Charges for	Operating	Capital	Revenues and
Functions/Programs	Expenses	Services	Grants and Contributions	Grants and Contributions	Changes in Governmental Activities
					Total
Governmental Activities:					
Instruction	\$ (622,219)	\$ -	\$ -	\$ -	\$ (622,219)
Instruction and curriculum development services	(19,519)	-	-	-	(19,519)
Instructional staff training services	(32,000)	-	-	-	(32,000)
School board	(34,742)	-	-	-	(34,742)
School administration	(18,377)	-	-	-	(18,377)
Fiscal services	(148,353)	-	-	-	(148,353)
Food services	(117,864)	-	117,864	-	-
Central services	(36,321)	-	-	-	(36,321)
Operation of plant	(253,894)	-	-	83,007	(170,887)
Maintenance of plant	(21,075)	-	-	-	(21,075)
Debt service	(4,345)	-	-	-	(4,345)
Total Governmental Activities	\$ (1,308,709)	\$ -	\$ 117,864	\$ 83,007	\$ (1,107,838)
General Revenues:					
State FTE revenues					\$ 716,010
Local grants, other contributions, and other					74,214
Total General Revenues					\$ 790,224
Change in Net Position					\$ (317,614)
Net position, beginning of year					1,353,658
Net position, end of year					\$ 1,036,044

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

Lincoln-Marti Charter Schools, Inc.
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Statements of Activities

					Net (Expenses)
					Revenues and
					Changes in
					Net Position
<i>Year ended June 30, 2025</i>		Program Revenues			
		Charges	Operating	Capital	
		for	Grants and	Grants and	
	Expenses	Services	Contributions	Contributions	Governmental
					Activities
					Total
Governmental Activities:					
Instruction	\$ (659,957)	\$ -	\$ -	\$ -	\$ (659,957)
Instruction and curriculum development services	(17,711)	-	-	-	(17,711)
Instructional staff training services	(13,500)	-	-	-	(13,500)
School board	(1,000)	-	-	-	(1,000)
School administration	(7,976)	-	-	-	(7,976)
Fiscal services	(97,417)	-	-	-	(97,417)
Food services	(145,405)	-	145,405	-	-
Central services	(15,000)	-	-	-	(15,000)
Operation of plant	(242,279)	-	-	112,877	(129,402)
Maintenance of plant	(19,032)	-	-	-	(19,032)
Debt service	(7,574)	-	-	-	(7,574)
Total Governmental Activities	\$ (1,226,851)	\$ -	\$ 145,405	\$ 112,877	\$ (968,569)
General Revenues:					
State FTE revenues					\$ 943,747
Local grants, other contributions, and other					121,146
Total General Revenues					\$ 1,064,893
Change in Net Position					\$ 96,324
Net position, beginning of year					1,257,334
Net position, end of year					\$ 1,353,658

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

Lincoln-Marti Charter Schools, Inc.
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Balance Sheets - Governmental Fund

<i>June 30,</i>	2026	2025
Assets		
Cash	\$ 846,310	\$ 1,229,899
Prepaid expenses	24,253	-
Total Assets	\$ 870,563	\$ 1,229,899
Liabilities		
Accounts payable and accrued expenses	\$ 33,627	\$ 30,349
Fund Balance		
Nonspendable	24,253	-
Unassigned	812,683	1,199,550
Total Fund Balance	836,936	1,199,550
Total Liabilities and Fund Balance	\$ 870,563	\$ 1,229,899
<i>June 30,</i>	2026	2025
Fund balance	\$ 836,936	\$ 1,199,550
Amounts reported for governmental activities in the statements of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	238,706	284,250
Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. Those liabilities consist of:		
Lease liability	(39,598)	(130,142)
Net position of governmental activities	\$ 1,036,044	\$ 1,353,658

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

Lincoln-Marti Charter Schools, Inc.
Osceola Campus Charter School
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**Statements of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund**

<i>Year ended June 30,</i>	2026	2025
Revenues:		
State FTE revenues	\$ 716,010	\$ 943,747
Local grants, other contributions, and other	157,221	234,023
Contributions of nonfinancial assets	117,864	145,405
Total Revenues	991,095	1,323,175
Expenditures:		
Instruction	622,219	659,957
Instruction and curriculum development services	19,519	17,711
Instructional staff training services	32,000	13,500
School board	34,742	1,000
School administration	18,377	7,976
Fiscal services	148,353	97,417
Food services	117,864	145,405
Central services	36,321	15,000
Operation of plant	208,350	234,452
Maintenance of plant	21,075	19,032
Debt service		
Principal - lease liability	90,544	88,778
Interest - lease liability	4,345	7,574
Total Expenditures	1,353,709	1,307,802
Change in Fund Balance	(362,614)	15,373
Fund Balance, beginning of year	1,199,550	1,184,177
Fund Balance, end of year	\$ 836,936	\$ 1,199,550

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

Lincoln-Marti Charter Schools, Inc.
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(A Component Unit of the School Board of Osceola County)

**Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund
Balance of the Governmental Fund to the Statements of Activities**

<i>Year ended June 30,</i>	2026	2025
Amounts reported for governmental activities in the statements of activities are different because:		
Net change in fund balances - total governmental fund	\$ (362,614)	\$ 15,373
Amount by which capital outlays exceeded depreciation/amortization	(45,544)	(7,827)
Principal paid on lease	90,544	88,778
Change in Net Position of Governmental Activities	\$ (317,614)	\$ 96,324

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

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Notes to Basic Financial Statements

1. Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

On April 19, 2016, the Osceola County School Board approved the application submitted by the Board of Directors of Lincoln-Marti Charter Schools, Inc. for the creation of Lincoln-Marti Charter School (Osceola Campus Charter School) (the "School"). Lincoln-Marti Charter Schools, Inc. (the "Organization") is a non-profit organization incorporated under the laws of Florida to operate charter schools organized pursuant to Section 1002.33 of the Florida Statutes. The governing body of the School is the Organization's Board of Directors.

The School operates under a charter of the sponsoring school district, the Osceola County School Board (the "School Board"). The School's charter was approved by the School Board on April 19, 2016 and is effective until June 30, 2031. Pursuant to Section 1002.33(8)(e), of the Florida Statutes, the charter school contract provides that in the event the School is dissolved or terminated, any unencumbered funds and all school property purchased with public funds automatically revert to the School Board. During the term of the charter, the School Board may also terminate the charter if good cause is shown. For financial reporting purposes, the School is considered a component unit of the School Board of Osceola County and is included in the School Board's comprehensive annual financial report.

Enrollment and Grade Configuration

School Name and Address	Grades	Enrollment
Lincoln-Marti Charter Schools (Osceola Campus Charter School) 2244 Fortune Road Kissimmee, FL 34744	K - 5	89

Board of Directors

The Board of Directors of the Lincoln-Marti Charter Schools, Inc. consists of the following members:

Maria Denia Vasallo	President/Chairperson
Israel Salabarria	Vice President/Secretary
Yoryana Manrresa	Treasurer

Financial Statement Presentation

For financial reporting purposes, Osceola Campus Charter School is a Charter School operated by Lincoln-Marti Charter Schools, Inc.

The financial statements present the government-wide statements, balance sheets and statements of revenues, expenditures and changes in fund balance for the Osceola Campus Charter School of Lincoln-Marti Charter Schools, Inc. only and do not represent a complete presentation of the assets,

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liabilities, net position, statements of activities and cash flows of the Organization. Accordingly, the accompanying financial statements are not intended to present the financial position of the Organization as of June 30, 2026 and 2025 or its changes in net position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Government-Wide and Fund Financial Statements

The School's government-wide financial statements (i.e., the statements of net position and the statements of activities) report information on all of the activities of the School. Governmental activities are supported by Full-Time Equivalent (FTE) dollars and intergovernmental revenues.

The statements of activities demonstrate the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) Florida Department of Education ("FDOE") funding through the Florida Education Finance Program, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function and 3) capital grants and contributions that are restricted to meeting the capital requirements of a particular function. FTE dollars and other items not properly included among program revenues are reported instead as general revenues.

The General Fund is the School's only operating fund and its only governmental fund. It accounts for all financial resources of the School.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The School's government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The School's fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting.

FTE dollars, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the School.

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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Notes to Basic Financial Statements

Assets, Liabilities and Net Position

Cash and Cash Equivalents

The School considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents. The School has no cash equivalents at June 30, 2026 and 2025.

Prepaid Expenses

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements. The cost of prepaid expenses is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include right-to-use lease asset, classroom furniture, fixtures, equipment and other are reported in the government-wide financial statements. Capital assets are defined by the School as assets with an initial, individual or collective cost of more than \$750 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the School are depreciated using the straight-line method over the following estimated useful lives:

Classroom furniture, fixtures, equipment and other	3-7 years
Right-to-use lease asset	78 months

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

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Notes to Basic Financial Statements

Leases

The School is party to one lease of a nonfinancial asset as a lessee. The School recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the School determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The School uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School generally uses its estimated incremental borrowing rate as the discount rate for the lease. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of variable payments. There is no purchase option in the lease.

The School monitors changes in circumstances that would require a remeasurement of its lease and will remeasure lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statements of net position.

Fund Balance/Net Position

GASB defines fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form (i.e., inventories and prepayments) or (b) are legally or contractually required to be maintained intact.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the School's Board of Directors. These amounts cannot be used for any other purpose unless the School's Board of Directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned - This classification includes amounts that are constrained by the School's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the

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School's Board of Directors.

Unassigned - This classification consists of the fund balance for the General Fund. Unassigned amounts are the portion of fund balance which is not obligated or specifically designated and is available for any purpose.

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Net Investment in Capital Assets - consists of capital assets, net of accumulated depreciation, less outstanding balances of any borrowings attributable to those assets.

Restricted Net Position - represent liquid assets (generated from revenues and not bond proceeds) which have third party (statutory, bond covenant or granting agency) limitations on their use. The School would typically use restricted net position first, as appropriate opportunities arise, but reserve the right to selectively defer the use thereof to a future project or for replacement equipment acquisition.

Unrestricted Net Position - consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed. When an expenditure is incurred for a purpose in which both restricted and unrestricted funds are available, the School considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the School has provided otherwise in its commitment or assigned actions.

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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may differ from actual results.

Revenue Sources

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

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Donated Revenue and Expense

The School records the value of donated goods when there is an objective basis available to measure the value. Donated items are reflected as contributions in the accompanying financial statements at their fair market values at date of receipt and consist of food contributed for the School's students. The School recognizes the value of donated goods as in-kind revenue and expense. During the years ended June 30, 2026 and 2025, the School recognized donated revenue and expense of \$117,864 and \$145,405, respectively (Note 4).

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded as of June 30, 2026 and 2025.

The Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize the financial statement effects for unrecognized tax positions for the years ended June 30, 2026 and 2025. The Organization has filed for, and received, income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed IRS Form 990, as required, and all other applicable returns in jurisdictions when it is required.

Recent Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several new accounting standards with upcoming implementation dates. The following new accounting standards were implemented by the School for the year ended June 30, 2026:

GASB Statement No. 103, Financial Reporting Model Improvements - The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The School adopted this pronouncement on July 1, 2025. The adoption of this statement did not have a material effect on the School's financial statements.

GASB Statement No. 104, Disclosure of Certain Capital Assets - The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The statement will enable users to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The School adopted this pronouncement on July 1, 2025. The adoption of this statement did not have a material effect on the School's financial statements.

The GASB has issued a new accounting standard with an upcoming implementation date. Management has not fully evaluated the potential effects of this statement, and actual impacts have not yet been determined. The statement is as follows:

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GASB Statement No. 105, Subsequent Events - Effective for year-end June 30, 2027. Earlier applications are encouraged. The objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

2. Cash

The School's cash includes cash held in a demand deposit account. At June 30, 2026 and 2025, the carrying amount of the School's deposits were \$846,310 and \$1,229,899, respectively, while the bank balances of such deposits were \$890,902 and \$1,267,665, respectively. The School's deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). As of June 30, 2026 and 2025, the School's bank balances exceeded the FDIC insured amount by \$640,902 and \$1,017,665, respectively. At times, bank balances are in excess of the FDIC coverage. All cash in the bank is held in Qualified Public Depositories approved by the Office of the Chief Financial Officer of the State of Florida and is fully protected from loss in accordance with the Florida Security for Public Deposits Act (Chapter 280, Florida Statutes).

3. Capital Assets

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

<i>Year ended June 30, 2026</i>	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated/ Amortized:				
Right-to-use lease asset	\$ 483,447	\$ -	\$ -	\$ 483,447
Classroom furniture, fixtures, equipment and other	305,369	76,979	-	382,348
Total Capital Assets Being Depreciated/ Amortized	788,816	76,979	-	865,795
Less Accumulated Depreciation/ Amortization for:				
Right-to-use lease asset	(371,135)	(79,279)	-	(450,414)
Classroom furniture, fixtures, equipment and other	(133,431)	(43,244)	-	(176,675)
Total Accumulated Depreciation/ Amortization	(504,566)	(122,523)	-	(627,089)
Total Capital Assets Being Depreciated/ Amortized, net	\$ 284,250	\$ (45,544)	\$ -	\$ 238,706

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Notes to Basic Financial Statements

The following schedule provides a summary of changes in capital assets for the year ended June 30, 2025:

<i>Year ended June 30, 2025</i>	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated/ Amortized:				
Right-to-use lease asset	\$ 483,447	\$ -	\$ -	\$ 483,447
Classroom furniture, fixtures, equipment and other	208,411	96,958	-	305,369
Total Capital Assets Being Depreciated/ Amortized	691,858	96,958	-	788,816
Less Accumulated Depreciation/ Amortization for:				
Right-to-use lease asset	(297,506)	(73,629)	-	(371,135)
Classroom furniture, fixtures, equipment and other	(102,275)	(31,156)	-	(133,431)
Total Accumulated Depreciation/ Amortization	(399,781)	(104,785)	-	(504,566)
Total Capital Assets Being Depreciated/ Amortized, net	\$ 292,077	\$ (7,827)	\$ -	\$ 284,250

Expenditures for capital assets during the fiscal years ended June 30, 2026 and 2025 were \$80,227 and \$96,958, respectively. For the years ended June 30, 2026 and 2025, depreciation and amortization expense was charged to functions/programs of the School as follows:

<i>June 30,</i>	2026	2025
Governmental activities:		
Operation of plant	\$ 122,523	\$ 104,785

4. Contributions of Nonfinancial Assets

Contributed nonfinancial assets (in-kind donations) during the years ended June 30, 2026 and 2025 were as follows:

Nonfinancial Asset	Revenue Recognized June 30, 2026	Revenue Recognized June 30, 2025	Utilization in Programs/Activities	Valuation Techniques/Inputs
Food	\$ 117,864	\$ 145,405	Student Meal Program	The School estimated the fair value of donated food based on estimated wholesale prices of identical or similar products if purchased in the region

5. Leases

In 2017, the School entered into a multi-year lease agreement as a lessee for the School's premises, with D.P. Real Estate Holdings, LLC ("DP"), a related party. The lease went into effect on May 1, 2017. The School is responsible for the leasehold improvements, repairs and maintenance, and the insurance of the properties. The lease term is for a period of nine years, expiring in December 2026, and includes a provision for escalating annual rentals based on a rate of 4% per year.

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An initial lease liability was recorded in the amount of \$483,447 as of July 1, 2020, using an annual interest rate of 4.5%. As of June 30, 2026 and 2025, the outstanding balance on the lease liability is \$39,598 and \$130,142, respectively. An initial right-to-use lease asset was recorded in the amount of \$483,447 as of July 1, 2020. The value of the right-to-use lease asset, net of accumulated amortization of \$450,414 and \$371,135, was \$33,033 and \$112,312 as of June 30, 2026 and 2025, respectively.

The following schedule provides a summary of changes in the lease liability:

<i>Year ended June 30,</i>	2026	2025
Balance, at beginning of year	\$ 130,142	\$ 218,920
Additions	-	-
Principal payments	(90,544)	(88,778)
Balance, at end of year	39,598	130,142
Less: current portion	(39,598)	(90,544)
Long-term portion	\$ -	\$ 39,598

The future principal and interest lease payments as of June 30, 2026, are as follows:

<i>Year ended June 30,</i>	Principal	Interest	Total
2027	\$ 39,598	\$ 297	\$ 39,895

6. Commitments and Contingencies

Risk Management

The School is exposed to various risks of loss related torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries property and liability insurance. Settlement amounts do not exceed insurance coverage. In addition, there have been no reductions of insurance coverage during the 2026 and 2025 fiscal years.

7. Related Party Transactions

Related party transactions occurred during the current and prior year with the following entities:

School Board

Pursuant to the Charter School Agreement with the School Board, the School Board is paid an administrative fee of up to five percent (5%) of the qualifying revenues of the School. During the years ended June 30, 2026 and 2025, approximately \$58,000 and \$68,000, respectively, was paid to the School Board for administrative fees. Pursuant to the Charter School Agreement with the School

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Board, the School receives from the School Board an FTE for each full-time equivalent student enrolled. There were 89 and 120 full-time students enrolled during the fiscal years ended June 30, 2026 and 2025, respectively. The School also receives other allowances based upon students enrolled.

D.P. Real Estate Holdings, LLC (“DP”)

The School is related to DP as a result of the School and DP sharing common management. During the years ended June 30, 2026 and 2025, lease payments for the rental of the school property between DP and the School were approximately \$95,000 and \$96,000, respectively.

Lincoln-Marti Community Agency, Inc.

The School is a related party to Lincoln-Marti Community Agency, Inc. (“LMCA”) as a result of the terms and conditions of the meal program and sharing common management. LMCA purchases, prepares and delivers the food to the School for students that are eligible. The School recorded \$117,864 and \$145,405 in food services as an in-kind donation and expense during the years ended June 30, 2026 and 2025, respectively.

8. Employee Benefit Plan

Commencing October 2024, the Organization offers the Lincoln-Marti Charter Schools 401(k) Profit Sharing Plan (the “Plan”), a defined contribution retirement plan, to all employees with no minimum service requirement through Pension Services, Inc. Employees are eligible to participate immediately upon commencement of employment. The Organization has the authority to amend the benefit provisions and contribution requirements of the Plan. Participants direct the investment of their contributions and associated employer matching contributions into various investment options offered by the Plan. Employees may contribute up to 100% of gross wages. The School contributes an employer match equal to 100% of the employees’ contributions that are not in excess of 3%; plus 50% of the employees’ contributions that exceed 3% but that do not exceed 5%. Employer contributions vest as follows: 20% after two years, 40% after three years, 60% after four years, 80% after five years, and 100% after 6 years. Employer contributions by the School to the Plan were \$2,746 and \$2,561 for the years ended June 30, 2026 and 2025, respectively.

9. Subsequent Events

The School has evaluated subsequent events through August 27, 2026, which is the date the financial statements were available to be issued and there were no subsequent events requiring adjustments to the financial statements or disclosures stated herein.

Required Supplementary Information

Lincoln-Marti Charter Schools, Inc.
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Budgetary Comparison Schedule

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
<i>Year ended June 30, 2026</i>	Original	Final	Actual	
Revenues				
State FTE revenues	\$ 814,633	\$ 814,633	\$ 716,010	\$ (98,623)
Local grants, other contributions, and others	360,256	360,256	157,221	(203,035)
Contributions of nonfinancial assets	-	-	117,864	117,864
Total Revenues	1,174,889	1,174,889	991,095	(183,794)
Expenditures				
Instruction	453,699	453,699	622,219	(168,520)
Instruction and curriculum development services	4,244	4,244	19,519	(15,275)
Instructional staff training services	-	-	32,000	(32,000)
School board	26,523	26,523	34,742	(8,219)
School administration	171,123	171,123	18,377	152,746
Fiscal services	39,625	39,625	148,353	(108,728)
Food services	124,974	124,974	117,864	7,110
Central services	-	-	36,321	(36,321)
Operation of plant	203,359	203,359	208,350	(4,991)
Maintenance of plant	23,340	23,340	21,075	2,265
Debt service	95,799	95,799	94,889	910
Total Expenditures	1,142,686	1,142,686	1,353,709	(211,023)
Change in Fund Balance	32,203	32,203	(362,614)	(394,817)
Fund Balances, beginning of year	1,199,550	1,199,550	1,199,550	-
Fund Balances, end of year	\$ 1,231,753	\$ 1,231,753	\$ 836,936	\$ (394,817)

See accompanying notes to budgetary comparison schedule.

Lincoln-Marti Charter Schools, Inc.
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Budgetary Comparison Schedule

<i>Year ended June 30, 2025</i>	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State FTE revenues	\$ 790,906	\$ 790,906	\$ 943,747	\$ 152,841
Local grants, other contributions, and others	349,763	349,763	234,023	(115,740)
Contributions of nonfinancial assets	-	-	145,405	145,405
Total Revenues	1,140,669	1,140,669	1,323,175	182,506
Expenditures				
Instruction	440,485	440,485	659,957	(219,472)
Instruction and curriculum development services	4,120	4,120	17,711	(13,591)
Instructional staff training services	-	-	13,500	(13,500)
School board	25,750	25,750	1,000	24,750
School administration	166,139	166,139	7,976	158,163
Fiscal services	38,471	38,471	97,417	(58,946)
Food services	121,334	121,334	145,405	(24,071)
Central services	-	-	15,000	(15,000)
Operation of plant	200,145	200,145	234,452	(34,307)
Maintenance of plant	22,660	22,660	19,032	3,628
Debt service	90,300	90,300	96,352	(6,052)
Total Expenditures	1,109,404	1,109,404	1,307,802	(198,398)
Change in Fund Balance	31,265	31,265	15,373	(15,892)
Fund Balances, beginning of year	1,184,177	1,184,177	1,184,177	-
Fund Balances, end of year	\$ 1,215,442	\$ 1,215,442	\$ 1,199,550	\$ (15,892)

See accompanying notes to budgetary comparison schedule.

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Notes to Budgetary Comparison Schedules

1. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at fiscal year-end. The original budget and any subsequent amendments are approved by the Board of Directors. For the years ended June 30, 2026 and 2025, there were no amendments to the original budget; as such, no column is presented for the variance between original and final budgeted amounts.

2. Excess of Expenditures over Appropriations

For the year ended June 30, 2026, expenditures exceeded appropriations in the following functions of the general fund by the amounts listed below:

Function	Amount which Expenditures Exceeded Appropriations
Instruction	\$ (168,520)
Instruction and curriculum development services	(15,275)
Instructional staff training services	(32,000)
School board	(8,219)
Fiscal services	(108,728)
Central services	(36,321)
Operation of plant	(4,991)

For the year ended June 30, 2025, expenditures exceeded appropriations in the following functions of the general fund by the amounts listed below:

Function	Amount which Expenditures Exceeded Appropriations
Instruction	\$ (219,472)
Instruction and curriculum development services	(13,591)
Instructional staff training services	(13,500)
Fiscal services	(58,946)
Food services	(24,071)
Central services	(15,000)
Operation of plant	(34,307)
Debt service	(6,052)

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Notes to Budgetary Comparison Schedules

3. Actual Budget Results

Budgetary Revenues

Differences - final budget to actual:

For the year ended June 30, 2026, State FTE revenues and local grants, other contributions, and other revenues were less than expected due to lower referendum funds received than were budgeted for. The School did not budget for donated food, which is reported as contributions of nonfinancial assets.

For the year ended June 30, 2025, State FTE revenues exceeded amounts budgeted due to a larger increase in enrollment than expected. Local grants, other contributions, and other revenues were less than budgeted due to less ERC (Employee Retention Credits) monies received than expected. The School did not budget for donated food, which is reported as contributions of nonfinancial assets.

Budgeted Expenditures

Differences - final budget to actual:

For the year ended June 30, 2026, the School experienced instruction and fiscal services expenditures in excess of budgeted amounts due to higher than anticipated enrollment. School administration expenditures were less than budgeted due to less administrator travel and professional fees than expected.

For the year ended June 30, 2025, instruction expenditures exceeded budgeted amounts due to higher than anticipated enrollment. School administration expenditures were less than budgeted due to less administrator travel and office expenses than expected.

Supplementary Auditor's Reports



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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Lincoln-Marti Charter Schools, Inc.
Osceola Campus Charter School
(A Component Unit of the School Board of Osceola County)
Miami, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of Lincoln-Marti Charter Schools, Inc. Osceola Campus Charter School (the "School") (a Component Unit of the School Board of Osceola County), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 27, 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

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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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

Miami, Florida
August 27, 2026



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Management Letter in Accordance with the Rules of the Auditor General of The State of Florida

Board of Directors
Lincoln-Marti Charter Schools, Inc.
Osceola Campus Charter School
(A Component Unit of the School Board of Osceola County)
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Lincoln-Marti Charter Schools, Inc. Osceola Campus Charter School (the "School"), (a Component Unit of the School Board of Osceola County), as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated August 27, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated August 27, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Lincoln-Marti Charter Schools, Inc. (Osceola Campus Charter School); 0182.



Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and 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

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

BDO USA, P.C.

Miami, Florida
August 27, 2026