ORLANDO SCIENCE
CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY
EDUCATION SERVICES, INC.)

A Charter School and Component Unit of the
District School Board of Orange County, Florida

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2026

King & Walker, CPAs, PL

Certified Public Accountants

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ORLANDO SCIENCE CHARTER SCHOOL K-8

(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)

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Independent Auditor's Report

To the Board of Directors of Orlando Science Charter School K-8
(A Charter School under Discovery Education Services, Inc.)
A Charter School and Component Unit of the District
School Board of Orange County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Orlando Science Charter School K-8 ("School"), a charter school under Discovery Education Services, Inc., and component unit of the District School Board of Orange County, Florida, 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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.

Emphasis of Matter

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School at June 30, 2026, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of Discovery Education Services, Inc. These financial statements do not purport to and do not present fairly the financial position of Discovery Education Services, Inc., as of June 30, 2026, and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary 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 September 23, 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.

Respectfully submitted,

King & Walker, CPAs

September 23, 2026
Tampa, Florida

The Management's Discussion and Analysis (MD&A) section of the annual financial report of Orlando Science Charter School K-8 ("School") provides an overview of the School's financial activities for the fiscal year ended June 30, 2026.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School's financial statements and notes to financial statements found in the table of contents.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2026, the School's revenue exceeded expenses as shown on the School's statement of activities by $1,753,156.
- As shown on the statement of net position, the School reported an unrestricted net position balance of $2,271,482.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the School presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the School. The statement of activities presents information about the change in the School's net position and the results of operations, during the fiscal year. An increase or decrease in net position is an indication of whether the School's financial health is improving or deteriorating. To assess the overall financial position of the School, one needs to consider additional non-financial factors such as changes in the School student base funding level.

Fund Financial Statements

Fund financial statements are one of the components of the basic 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. Fund financial statements provide more detailed information about the School's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the School's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the School's most significant funds. The School operates three funds; a General Fund, a Capital Projects Fund, and a Special Revenue Fund. The School has elected to show each fund as a major fund.

The School adopts annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budgets.

Notes to Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the School's current year and prior year net position:

	Net Position, End of Year		
	Governmental Activities		
	6-30-25	6-30-26	Increase (Decrease)
ASSETS			
Current and Other Assets	$ 1,717,812	$ 3,197,988	$ 1,480,176
Capital Assets, Net	7,219,906	7,341,537	121,631
Total Assets	8,937,718	10,539,525	1,601,807
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to Pensions	87,065	896,891	809,826
Total Deferred Outflow Related to Pensions	87,065	896,891	809,826
LIABILITIES			
Current Liabilities	226,717	450,384	223,667
Noncurrent Liabilities	7,532,843	7,848,484	315,641
Total Liabilities	7,759,560	8,298,868	539,308
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to Pensions	-	119,169	119,169
Total Deferred Inflow Related to Pensions	-	119,169	119,169
NET POSITION			
Net Investment in Capital Assets	337,063	746,897	409,834
Unrestricted	928,160	2,271,482	1,343,322
Total Net Position	$ 1,265,223	$ 3,018,379	$ 1,753,156

The current assets of the School consist primarily of cash and cash equivalents and amounts due from other agencies. Liabilities consist of accounts payable, salaries and benefits payable, a note payable, and a long-term lease payable. Net Position is comprised of the School's investment in capital assets net of accumulated depreciation/amortization, and the results of the current year's operations.

The following is a summary of the School's change in net position for the current year and prior year:

Operating Results for the Year

	Governmental Activities		
	6-30-25	6-30-26	Increase (Decrease)
Revenues:			
Federal	$ 720,383	$ 410,574	$ (309,809)
State	6,241,954	7,699,389	1,457,435
Local and Other	727,840	1,776,132	1,048,292
Total Revenues	7,690,177	9,886,095	2,195,918
Expenses:			
Instruction	3,234,977	3,587,818	352,841
Student Support Services	67,538	76,539	9,001
Instructional Media	40,349	72,061	31,712
Instruction & Curriculum Development	93,956	98,442	4,486
Instructional Staff Training	4,051	1,030	(3,021)
General Support Services	24,229	34,277	10,048
Board	-	8,500	8,500
General Administration	-	620,047	620,047
School Administration	879,717	1,024,352	144,635
Fiscal Services	69,453	76,199	6,746
Food Services	217,775	385,134	167,359
Central Services	13,757	12,505	(1,252)
Operation of Plant	598,432	676,228	77,796
Maintenance of Plant	537,461	177,766	(359,695)
Administrative Technology Services	66,389	71,556	5,167
Community Service	91,747	192,313	100,566
Debt Service - Interest	264,559	650,846	386,287
Unallocated Depreciation/Amortization	295,846	367,326	71,480
Total Expenses	6,500,236	8,132,939	1,632,703
Increase/(Decrease) in Net Position	$ 1,189,941	$ 1,753,156	$ 563,215

The largest revenue source for the School is from the State of Florida (78%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the School.

The largest concentration of expenses is Instruction, which accounted for 44% of total expenditures, and consists primarily of teachers' salaries. The expense categories will experience increases and decreases between fiscal years as a result of future economic conditions and the future financial needs of the School.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

Governmental Funds

As the School completed the year, its governmental funds reported a total combined fund balance of $2,747,604.

BUDGETARY HIGHLIGHTS

The general fund and special revenue fund budgets for the fiscal year ended June 30, 2026, were developed based on the School's anticipated revenues and expenditures, the expected student population, and the Federal grant programs for the school year. Over the course of the year, management revised the budgets several times. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The School's investment in capital assets for its governmental activities as of June 30, 2026, amounts to $7,341,537 (net of accumulated depreciation/amortization). This investment in capital assets includes a leased asset – building, furniture, fixtures, and equipment, and improvements other than buildings. Additional information regarding the School's capital assets can be found in the notes to the financial statements.

LONG-TERM DEBT

As of June 30, 2026, the School had $7,848,484 in long-term debt outstanding, primarily due to its long-term lease liability. Additional information about the School's long-term debt is presented in the notes to the financial statements

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Principal, Orlando Science Charter School K-8, 10250 University Blvd., Orlando, FL 32817.

ORLANDO SCIENCE CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

STATEMENT OF NET POSITION
June 30, 2026

	Government Activities
ASSETS	
Cash & Cash Equivalents	$ 2,692,448
Due From Other Agencies	475,436
Accounts Receivable	20,698
Prepaid Items & Deposits	9,406
Capital Assets:	
Leased Asset - Building, Net	6,594,640
Furniture, Fixtures, and Equipment, Net	256,321
Improvements Other Than Buildings, Net	490,576
Total Capital Assets	7,341,537
TOTAL ASSETS	10,539,525
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pensions	896,891
TOTAL DEFERRED OUTFLOWS OF RESOURCES	896,891
LIABILITIES	
Salaries and Benefits Payable	240,140
Accounts Payable	210,244
Noncurrent Liabilities:	
Due Within One Year:	
Note Payable	650,000
Long-Term Lease Payable	302,948
Due After One Year:	
Long-Term Lease Payable	6,291,692
Net Pension Liability	603,844
TOTAL LIABILITIES	8,298,868
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pensions	119,169
TOTAL DEFERRED INFLOWS OF RESOURCES	119,169
NET POSITION	
Net Investment in Capital Assets	746,897
Unrestricted	2,271,482
TOTAL NET POSITION	$ 3,018,379

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

ORLANDO SCIENCE CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2026

		Program Revenues			Net (Expenses) Revenue and Changes Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	$ 3,587,818	$ -	$ 91,949	$ -	$ (3,495,869)
Student Support Services	76,539	-	-	-	(76,539)
Instructional Media	72,061	-	-	-	(72,061)
Instruction & Curriculum Development	98,442	-	-	-	(98,442)
Instructional Staff Training	1,030	-	-	-	(1,030)
General Support Services	34,277	-	-	-	(34,277)
Board	8,500	-	-	-	(8,500)
General Administration	620,047	-	-	-	(620,047)
School Administration	1,024,352	-	-	-	(1,024,352)
Fiscal Services	76,199	-	-	-	(76,199)
Food Services	385,134	124,387	193,703	-	(67,044)
Central Services	12,505	-	-	-	(12,505)
Operation of Plant	676,228	-	-	-	(676,228)
Maintenance of Plant	177,766	-	-	-	(177,766)
Administrative Technology Services	71,556	-	-	-	(71,556)
Community Service	192,313	268,430	-	-	76,117
Debt Service - Interest	650,846	-	-	516,904	(133,942)
Unallocated Depreciation/Amortization	367,326	-	-	-	(367,326)
Total Governmental Activities	$ 8,132,939	$ 392,817	$ 285,652	$ 516,904	(6,937,566)

General Revenue	
State Sources	7,182,485
Local and Other	1,383,315
Grants and Contributions Not Related to Specific Programs	124,922
Total General Revenues	8,690,722
Change in Net Position	1,753,156
Net Position - July 1, 2025	1,265,223
Net Position - June 30, 2026	$ 3,018,379

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

ORLANDO SCIENCE CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash & Cash Equivalents	$ 2,692,448	$ -	$ -	$ 2,692,448
Due From Other Agencies	-	1,400	474,036	475,436
Accounts Receivable	2,756	17,942	-	20,698
Prepaid Items & Deposits	9,406	-	-	9,406
Due from Other Funds	493,378	-	-	493,378
Total Assets	$ 3,197,988	$ 19,342	$ 474,036	$ 3,691,366
LIABILITIES				
Salaries and Benefits Payable	$ 240,140	$ -	$ -	$ 240,140
Accounts Payable	210,244	-	-	210,244
Due to Other Funds	-	19,342	474,036	493,378
Total Liabilities	450,384	19,342	474,036	943,762
FUND BALANCES				
Nonspendable	9,406	-	-	9,406
Unassigned	2,738,198	-	-	2,738,198
Total Fund Balances	2,747,604	-	-	2,747,604
Total Liabilities and Fund Balances	$ 3,197,988	$ 19,342	$ 474,036	$ 3,691,366

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

ORLANDO SCIENCE CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2026

Total Fund Balances - Governmental Funds		$ 2,747,604
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds.		7,341,537
Deferred Outflows and Inflows of resources are not available in the current period and not reported in the governmental funds.		
Deferred Outflows	896,891	
Deferred Inflows	(119,169)	777,722
Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.		
Note Payable	(650,000)	
Long-Term Lease Payable	(6,594,640)	
Net Pension Liability	(603,844)	(7,848,484)
Total Net Position - Governmental Activities		$ 3,018,379

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

ORLANDO SCIENCE CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues				
Intergovernmental:				
Federal	$ -	$ 410,574	$ -	$ 410,574
State	7,182,485	-	516,904	7,699,389
Local and Other	532,844	124,387	1,118,901	1,776,132
Total Revenues	7,715,329	534,961	1,635,805	9,886,095
Expenditures				
Current - Education:				
Instruction	3,495,869	91,949	-	3,587,818
Student Support Services	76,539	-	-	76,539
Instructional Media	72,061	-	-	72,061
Instruction & Curriculum Development	98,442	-	-	98,442
Instructional Staff Training	1,030	-	-	1,030
General Support Services	34,277	-	-	34,277
Board	8,500	-	-	8,500
General Administration	620,047	-	-	620,047
School Administration	1,111,165	-	-	1,111,165
Fiscal Services	76,199	-	-	76,199
Food Services	-	385,134	-	385,134
Central Services	12,505	-	-	12,505
Operation of Plant	343,507	-	332,721	676,228
Maintenance of Plant	177,766	-	-	177,766
Administrative Technology Services	71,556	-	-	71,556
Community Service	192,313	-	-	192,313
Fixed Capital Outlay:				
Other Capital Outlay	-	124,922	364,035	488,957
Debt Service:				
Principal	-	-	288,203	288,203
Interest	-	-	650,846	650,846
Total Expenditures	6,391,776	602,005	1,635,805	8,629,586
Excess/(Deficiency) of Revenues Over Expenditures	1,323,553	(67,044)	-	1,256,509
Other Financing Sources (Uses):				
Transfers In/(Out)	(67,044)	67,044	-	-
Total Other Financing Sources (Uses)	(67,044)	67,044	-	-
Net Change in Fund Balances	1,256,509	-	-	1,256,509
Fund Balances, July 1, 2025	1,491,095	-	-	1,491,095
Fund Balances, June 30, 2026	$ 2,747,604	$ -	$ -	$ 2,747,604

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

ORLANDO SCIENCE CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2026

Net Change in Fund Balances - Governmental Funds		$	1,256,509
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.			
Capital Outlays	488,957		
Depreciation/Amortization Expense	(367,326)		121,631
The repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.			288,203
Net effect of various transactions in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds:			
Pension Expense (calculated for net pension liability)			(175,604)
Pension contributions made subsequent to the pension liability measurement date of 6/30/25			262,417
Change in Net Position - Governmental Activities		$	1,753,156

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

NOTES TO FINANCIAL STATEMENTS
June 30, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- **Reporting Entity**

The Orlando Science Charter School K-8 ("School"), a charter school under Discovery Education Services, Inc., and component unit of the District School Board of Orange County, Florida ("District"). The School's charter is held by Discovery Education Services, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, and the Florida Not-For-Profit Corporation Act. The governing body of the School is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of Discovery Education Services, Inc., as of June 30, 2026, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Orange County, Florida, ("District"). The current charter is effective through June 30, 2037, and is subject to annual review and may be renewed by mutual 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 this 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. In the event of termination of the charter, the District shall assume operation of the School. The School is considered a component unit of the District; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

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

- **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund Financial Statements - Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School's major governmental funds are as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for Federal grant programs and the School's food service operations.
- Capital Projects Fund – to account for all resources for the acquisition of capital assets and related items purchased by the School with capital outlay funds.

- **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become 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. The School considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation/amortization, are not recognized in governmental funds.

- **Cash and Cash Equivalents**

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of eight months or less from date of acquisition. The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents. Cash deposits consist of demand deposits with financial institutions. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Company up to $250,000.

- **Capital Assets**

Expenditures for capital assets acquired or constructed for general School purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the School as those costing more than $750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated/amortized using over the following estimated useful lives:

Description	Estimated Lives
Leased Asset - Building	17 years
Furniture, Fixtures and Equipment	3 - 7 years
Improvements Other than Buildings	10 years

- **Pensions**

  As the government-wide statement of net position, liabilities are recognized for the School's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan and additions to/deductions from the FRS and the HIS fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

  The School's retirement plans and related amounts are described in subsequent notes to the financial statements.

- **Deferred Outflows/Inflows of Resources**

  In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

  In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then

- **Net Position and Fund Balance Classification**

  Government-wide Financial Statements

  Net Position are classified and reported in three components:

  - Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
  - Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
  - Unrestricted Net Position – all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements

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

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

➢ **Order of Fund Balance Spending Policy**

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

- **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 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students (FTE) reported by the School during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the School's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2026, the School reported 771.10 Unweighted FTE and 816.15 Weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The School receives Federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal or state awards in which a claim to these grant proceeds is based on incurring eligible

expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The School also receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of school facilities. The School also receives funding through donations and fundraising efforts, school lunch sales and local property tax collections.

The School follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

- **Income Taxes**

  The School is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to financial statements. The School's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

- **Use of Estimates**

  In preparing the financial statements in conformity with generally accepted accounting principles in the United States management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of net position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

- **Subsequent Events**

  Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

2. CASH DEPOSITS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the School's deposits may not be returned to the School. The School does not have a custodial credit risk policy. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Company (FDIC) up to $250,000. As of June 30, 2026, the School was exposed to custodial credit risk. One of the School's bank accounts exceeded the FDIC insurance limit by $2,442,448. The School has not experienced losses in such accounts.

3. DUE FROM OTHER AGENCIES

Amounts Due from Other Agencies included in the accompanying statement of Net Position and balance sheet – governmental funds consist of amounts due from the Orange County School Board for local sales tax funds, capital outlay funds and grant expenditures awaiting reimbursement. This receivable is considered to be fully collectible and as such, no allowance for uncollectable is accrued.

4. INTERFUND RECEIVABLES, PAYABLES, & TRANSFERS

At June 30, 2026, the Special Revenue Fund owed the General Fund $19,342 for food service costs and grant expenditures awaiting reimbursement, and the Capital Projects Fund owed the General Fund $474,036 for capital outlay expenditures awaiting reimbursement from other agencies. These amounts are netted together and not reported in the statement of net position.

During the 2026 fiscal year, the General Fund transferred $67,044 to the Special Revenue Fund to assist with the School's food service program. The amounts of interfund transfers are netted together and not reported in the statement of activities.

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Leased Asset - Building	$ 7,157,019	$ -	$ -	$ 7,157,019
Furniture, Fixtures and Equipment	74,678	226,717	-	301,395
Improvements Other Than Buildings	284,055	262,240	-	546,295
Total Capital Assets	7,515,752	488,957	-	8,004,709
Less Accumulated Depreciation/Amortization for:				
Leased Asset - Building	(274,176)	(288,203)	-	(562,379)
Furniture, Fixtures and Equipment	(7,467)	(37,607)	-	(45,074)
Improvements Other Than Buildings	(14,203)	(41,516)	-	(55,719)
Total Accumulated Depreciation/Amortization	(295,846)	(367,326)	-	(663,172)
Governmental Activities Capital Assets, net	$ 7,219,906	$ 121,631	$ -	$ 7,341,537

All depreciation/amortization expense was shown as unallocated on the Statement of Activities.

6. LONG -TERM LEASE PAYABLE

The School entered into a lease for its educational facility starting July 1, 2024, through June, 30 2041. The lease contains required monthly minimum lease payments as of that date and thereafter. The fair value of the leased asset is $7,157,019. Amortization of the leased asset recorded under this lease is included with depreciation/amortization expense in the accompanying financial statements.

Future minimum lease payments and the present value of the minimum lease payments as of June 30 are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2027	$ 625,800	$ 302,948	$ 322,852
2028	625,800	318,447	307,353
2029	625,800	334,740	291,060
2030	625,800	351,866	273,934
2031	625,800	369,868	255,932
2032-2036	3,129,000	2,153,307	975,693
2037-2041	3,128,998	2,763,464	365,534
Total	$ 9,386,998	$ 6,594,640	$ 2,792,358

The imputed interest rate is 3 percent.

7. NOTE PAYABLE

As of June 30, 2026, the School's long-term debt consisted of the following note payable:

Promissory Note	Balance at 6-30-26
Discovery Education Holdings, LLC	
$650,000, 4.0% fixed rate promissory note with principal and accrued interest due June 30, 2027. First payment shall be made in annual installments on July 1, 2026. In the event of default, the outstanding principal amount together with accrued interest and all other expenses, including without limitation, reasonable attorneys' fees, shall immediately become due and payable at the option of the holder of this note, notwithstanding the maturity date.	$ 650,000
Total Note Payable	$ 650,000

Amounts payable for the outstanding note payable are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2027	$ 688,932	$ 650,000	$ 38,932
Total	$ 688,932	$ 650,000	$ 38,932

8. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Note Payable	$ 650,000	$ -	$ -	$ 650,000	$ 650,000
Long-Term Lease Payable	6,882,843	-	(288,203)	6,594,640	302,948
Net Pension Liability	-	603,844	-	603,844	-
Total Governmental Activities	$ 7,532,843	$ 603,844	$ (288,203)	$ 7,848,484	$ 952,948

9. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the School's State revenue:

Source	Amount
Florida Education Finance Program	$ 6,343,199
Categorical Programs:	
Class Size Reduction	771,801
School Recognition	52,706
Charter School Capital Outlay	516,904
Miscellaneous	14,779
Total State Revenue	$ 7,699,389

As provided in the charter school contract, the District has charged the School an administrative fee of $115,338.

10. FUNDING AND CREDIT RISK CONCENTRATIONS

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

11. OPERATING AGREEMENT

The School entered into an educational services and support agreement with Discovery Science Schools, LLC (DSS) through June 30, 2027. The contract calls for DSS to provide the School with academic, operational, human resource, finance, development, board, reporting, and technology services. DSS will comply with all Board and School policies and procedures, the Charter agreement, and with all applicable state and Federal rules and regulations. An annual fee of 6.5% of the School's total annual revenue, less any fee withheld by the District sponsor pursuant to section 1002.33, Florida Statues, any charitable donations, and any restricted Federal grant funding, will be charged. Fees under this agreement incurred to DSS during the fiscal year amounted to $620,047.

12. FLORIDA RETIREMENT SYSTEM (FRS) – Defined Benefit Pension Plans

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the HIS Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the School are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The School's FRS and HIS pension expense totaled $175,604 for the fiscal year ended June 30, 2026.

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the 2025-26 fiscal year were as follows:

	Percent of Gross Salary	
Class	**Employee**	**Employer** (1)
FRS, Regular	3.00	14.03
FRS, Reemployed Retiree	(2)	(2)

Notes: (1) Employer rates include 2.00 percent for the postemployment health insurance subsidy and the assessment of 0.06 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The School's contributions to the Plan totaled $197,454 for the fiscal year ended June 30, 2026.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2026, the School reported a liability of $366,553 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The School's proportionate share of the net pension liability was based on the School's 2024-25 fiscal year contributions relative to the total 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the School's proportionate share was .001181092 percent, which was an increase of .001181092 percent from its proportionate share measured as of June 30, 2024.

For the fiscal year ended June 30, 2026, the School recognized pension expense of $118,595. In addition, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 39,152	$ -
Change of assumptions	42,566	-
Net difference between projected and actual earnings on FRS Plan investments	-	61,200
Changes in proportion and differences between School FRS contributions and proportionate share of contributions	297,959	-
School FRS contributions subsequent to the measurement date	197,454	-
Total	$ 577,131	$ 61,200

The deferred outflows of resources related to pensions totaling $197,454, resulting from School contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2026	$ 59,402
2027	(10,554)
2028	(13,432)
2029	(12,535)
2030	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.50 percent, average, including inflation
Investment rate of return	6.70 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

The actuarial assumptions used in the July 1, 2025, valuation were based on the results of an actuarial experience study for the period July 1, 2019, through June 30, 2024.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target

allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed Income	29.0%	5.5%	5.4%	4.0%
Global Equity	45.0%	8.5%	6.9%	18.3%
Real Estate (Property)	12.0%	8.4%	7.1%	16.8%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.5%	6.1%	8.7%
Total	100%			
Assumed inflation - Mean			2.4%	1.5%

Note: (1) As outlined in the Plan's investment policy.

Discount Rate. The discount rate used to measure the total pension liability was 6.7 percent. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate used in the 2025 valuation remained 6.7 percent.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 6.7 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.7 percent) or 1 percentage point higher (7.7 percent) than the current rate:

	1% Decrease (5.7%)	Current Discount Rate (6.7%)	1% Increase (7.7%)
School's proportionate share of the net pension liability	$ 719,356	$ 366,553	$ 70,769

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the fiscal year ended June 30, 2026, eligible retirees and beneficiaries received a monthly HIS payment of $7.50 for each year of creditable service completed at the time of retirement with a minimum HIS payment of $45 and a maximum HIS payment of $225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2026, the contribution rate was 2.00 percent of payroll pursuant to Section 112.363, Florida Statutes. The School contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The School's contributions to the HIS Plan totaled $64,963 for the fiscal year ended June 30, 2026.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2026, the School reported a net pension liability of $237,291 for its proportionate share of the net pension liability. The current portion of the net pension liability is the School's proportionate share of benefit payments expected to be paid within one year, net of the School's proportionate share of the HIS Plan's fiduciary net position available to pay that amount. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The School's proportionate share of the net pension liability was based on the School's 2024-25 fiscal year contributions relative to the total 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the School's proportionate share was .001851318 percent, which was an increase of .001851318 percent from its proportionate share measured as of June 30, 2025.

For the fiscal year ended June 30, 2026, the School recognized pension expense of $57,009. In addition, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,416	$ 376
Change of assumptions	2,100	57,396
Net difference between projected and actual earnings on FRS Plan investments	-	197
Changes in proportion and differences between School FRS contributions and proportionate share of contributions	251,281	-
School FRS contributions subsequent to the measurement date	64,963	-
Total	$ 319,760	$ 57,969

The deferred outflows of resources totaling $64,963, resulting from School contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2026	$ (12,012)
2027	(14,381)
2028	(12,108)
2029	(9,703)
2030	(6,247)
Thereafter	-

Actuarial Assumptions. The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 percent
Salary increases	3.50 percent, average, including inflation
Municipal bond rate	3.93 percent

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

While an experience study had not been completed for the HIS Plan, the actuarial assumptions that determined the total pension liability for the HIS Plan were based on certain results of the most recent experience study for the FRS Plan.

Discount Rate. The discount rate used to measure the total pension liability was 5.20 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate changed from 3.93 percent to 5.20 percent.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the School's proportionate share of the net pension liability calculated using the discount rate of 5.20 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.20 percent) or 1 percentage point higher (5.20 percent) than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
School's proportionate share of the net pension liability	$ 267,585	$ 237,291	$ 211,886

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

13. FLORIDA RETIREMENT SYSTEM (FRS) – Defined Contribution Pension Plans

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. School employees already participating in the State School System Optional Retirement Program or DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions rates, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer

contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. Allocations to the Investment Plan member accounts during the 2025-26 fiscal year were as follows:

Class	Percent of Gross Compensation
FRS, Regular	8.30

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5 year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2026, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the School.

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

The School's Investment Plan pension expense totaled $217,663 for the fiscal year ended June 30, 2026.

14. RISK MANAGEMENT PROGRAMS

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

15. COMMITMENTS AND CONTINGENT LIABILITIES

The School participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2026, may be impaired.

In the opinion of the School, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

16. LEGAL MATTERS

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

ORLANDO SCIENCE CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND SPECIAL REVENUE FUND (UNAUDITED)
For the Fiscal Year Ended June 30, 2026

	General Fund					Special Revenue Fund				
	Original Budget	Final Budget	Variance with Original Budget - over/(under) Final Budget	Actual	Variance with Final Budget - over/(under) Actual	Original Budget	Final Budget	Variance with Original Budget - over/(under) Final Budget	Actual	Variance with Final Budget - over/(under) Actual
Revenues:										
Intergovernmental:										
Federal	$ -	$ -	$ -	$ -	$ -	$ 350,000	$ 410,574	$ (60,574)	$ 410,574	$ -
State	7,390,000	7,182,485	207,515	7,182,485	-	-	-	-	-	-
Local and Other	300,000	532,844	(232,844)	532,844	-	-	124,387	(124,387)	124,387	-
Total Revenues	7,690,000	7,715,329	(25,329)	7,715,329	-	350,000	534,961	(184,961)	534,961	-
Expenditures:										
Current - Education:										
Instruction	3,675,000	3,495,869	179,131	3,495,869	-	75,000	91,949	(16,949)	91,949	-
Student Support Services	80,000	76,539	3,461	76,539	-	-	-	-	-	-
Instructional Media	80,000	72,061	7,939	72,061	-	-	-	-	-	-
Instruction & Curriculum Development	130,000	98,442	31,558	98,442	-	-	-	-	-	-
Instructional Staff Training	5,000	1,030	3,970	1,030	-	-	-	-	-	-
General Support Services	30,000	34,277	(4,277)	34,277	-	-	-	-	-	-
Board	8,500	8,500	-	8,500	-	-	-	-	-	-
General Administration	540,000	620,047	(80,047)	620,047	-	-	-	-	-	-
School Administration	1,050,000	1,111,165	(61,165)	1,111,165	-	-	-	-	-	-
Facilities Acquisition & Construction	75,000	-	75,000	-	-		-	-	-	-
Fiscal Services	80,000	76,199	3,801	76,199	-	-	-	-	-	-
Food Services	-	-	-	-	-	275,000	385,134	(110,134)	385,134	-
Central Services	20,000	12,505	7,495	12,505	-	-	-	-	-	-
Operation of Plant	700,000	343,507	356,493	343,507	-	-	-	-	-	-
Maintenance of Plant	450,000	177,766	272,234	177,766	-	-	-	-	-	-
Administrative Technology Services	80,000	71,556	8,444	71,556	-	-	-	-	-	-
Community Service	300,000	192,313	107,687	192,313	-	-	-	-	-	-
Fixed Capital Outlay:										
Other Capital Outlay	-	-	-	-	-	-	124,922	(124,922)	124,922	-
Total Expenditures	7,303,500	6,391,776	911,724	6,391,776	-	350,000	602,005	(252,005)	602,005	-
Excess (Deficiency) of Revenues Over Expenditures	386,500	1,323,553	(937,053)	1,323,553	-	-	(67,044)	67,044	(67,044)	-
Other Financing Sources (Uses):										
Transfers In/(Out)	-	(67,044)	67,044	(67,044)	-	-	67,044	(67,044)	67,044	-
Total Other Financing Sources (Uses)	-	(67,044)	67,044	(67,044)	-	-	67,044	(67,044)	67,044	-
Net Change in Fund Balances	386,500	1,256,509	(870,009)	1,256,509	-	-	-	-	-	-
Fund Balances, July 1, 2025	1,491,095	1,491,095	-	1,491,095	-	-	-	-	-	-
Fund Balances, June 30, 2026	$ 1,877,595	$ 2,747,604	$ (870,009)	$ 2,747,604	$ -	$ -	$ -	$ -	$ -	$ -

See Independent Auditor's Report

ORLANDO SCIENCE CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

Schedule of Proportionate Share of Net Pension Liability
Florida Retirement System

Fiscal Year Ending June 30:	Proportion of the net pension liability/(asset)	Proportionate share of the net pension liability/(asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee	Plan fiduciary net position as a percentage of the total pension
2025	0.001181092%	$ 366,553	$ 827,129	0%	87.26%
2024	0.000000000%	$ -	$ -	0%	83.70%

See Independent Auditor's Report.

ORLANDO SCIENCE CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

Schedule of Contributions
Florida Retirement System

Fiscal Year Ending June 30:	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency/(excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2026	$ 197,454	$ (197,454)	$ -	$ 3,247,379	6.08%
2025	$ 70,519	$ (70,519)	$ -	$ 827,129	8.53%

See Independent Auditor's Report.

ORLANDO SCIENCE CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

Schedule of Proportionate Share of Net Pension Liability
Health Insurance Subsidy Program

Fiscal Year Ending June 30:	Proportion of the net pension liability/(asset)	Proportionate share of the net pension liability/(asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee	Plan fiduciary net position as a percentage of the total pension liability
2025	0.001851318%	$ 237,291	$ 827,129	0%	6.36%
2024	0.000000000%	$ -	$ -	0%	4.80%

See Independent Auditor's Report.

ORLANDO SCIENCE CHARTER SCHOOL K-8
(A CHARTER SCHOOL UNDER DISCOVERY EDUCATION SERVICES, INC.)
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

Schedule of Contributions
Health Insurance Subsidy Program

Fiscal Year Ending June 30:	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency/(excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2026	$ 64,963	$ (64,963)	$ -	$ 3,247,379	2.00%
2025	$ 16,546	$ (16,546)	$ -	$ 827,129	2.00%

See Independent Auditor's Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2026

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.

2. SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN

Changes of Assumptions. The long-term expected rate of return remained at 6.7 percent.

3. SCHEDULE OF NET PENSION LIABILITY AND SCHEDULE OF CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN

Changes of Assumptions. The municipal bond rate used to determine total pension liability was increased from 3.93 percent to 5.20 percent.

KING&WALKER
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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*

Independent Auditor's Report

To the Board of Directors of Orlando Science Charter School K-8
(A Charter School under Discovery Education Services, Inc.)
A Charter School and Component Unit of the District
School Board of Orange County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Orlando Science Charter School K-8 ("School"), a charter school under Discovery Education Services, Inc., and component unit of the District School Board of Orange County, Florida, 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 23, 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Respectfully submitted,

King & Walker, CPAs

September 23, 2026
Tampa, Florida

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CERTIFIED PUBLIC ACCOUNTANTS

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American Institute of CPAs
Government Audit Quality Center

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Management Letter as Required by Rules of the Florida Auditor General, Chapter 10.850, Florida Statutes, *Charter School Audits*

To the Board of Directors of Orlando Science Charter School K-8
(A Charter School under Discovery Education Services, Inc.)
A Charter School and Component Unit of the District
School Board of Orange County, Florida

Report on the Financial Statements

We have audited the financial statements of Orlando Science Charter School K-8 ("School"), a charter school under Discovery Education Services, Inc., and component unit of the District School Board of Orange County, Florida, as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 23, 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 those reports and schedule, which are dated September 23, 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 prior audit findings or recommendations.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Orlando Science Charter School K-8, 480103.

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, 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

General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

Respectfully submitted,

King & Walker, CPAs

September 23, 2026
Tampa, Florida