Treaty Oaks Preparatory Academy

A Department of Renaissance Charter School, Inc.
(A Component Unit of the School
District of St. Johns County, Florida)

Basic Financial Statements
For the Year Ended June 30, 2026

Treaty Oaks Preparatory Academy

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Treaty Oaks Preparatory Academy
St. Augustine, 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 Treaty Oaks Preparatory Academy (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School District of St. Johns 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund 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 discussed in Note 1, the financial statements of the School are intended to present the financial position and changes in financial position of only that portion of the governmental activities and each major fund of Renaissance Charter School, Inc. that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Renaissance Charter School, Inc. as of June 30, 2026, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is 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.

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.

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.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and the budgetary comparison information on pages 26 through 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 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.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
September 30, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Treaty Oaks Preparatory Academy (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School District of St. Johns County, we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2026.

Management's discussion and analysis is included at the beginning of the School's financial statements to provide, in layman's terms, the current position of the School's financial condition. This summary should not be taken as a replacement for the audit, which consists of the financial statements.

Financial Highlights

Our financial statements provide these insights into the results of this year's operations. Because fiscal year 2026 was the School's first year of operations, there are no comparable prior-year operating results.

- As of June 30, 2026, the School's fund balances were $ 325,382.
- As of June 30, 2026, the School had a net position (deficit) of $ (1,774,224).

Overview of the Financial Statements

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 financial statements.

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

The statement of net position presents information on all of the School's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the components 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.

The statement of activities presents information showing how the School's net position changed during the 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 instruction and instructional support services.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Overview of the Financial Statements (continued)

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 other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental 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 funds financial statements focus on near-term inflows and outflows of spendable resources, as well as 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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains several individual governmental funds. Information is presented in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The General Fund, Grants Fund, Capital Projects Fund and Club and Activities Fund are considered to be the School's major funds.

The School adopts an annual budget for its governmental funds except for the Capital Projects Fund and the Club and Activities Fund. A budgetary comparison schedule has been provided for the General Fund and Grants Fund to demonstrate compliance with the budget.

The governmental funds financial statements can be found on pages 11 through 14 of this report.

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. The notes to financial statements can be found on pages 15 through 25 of this report.

Financial Summary and Detailed Analysis

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of financial position. In the case of the School, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $ 1,774,224 at the close of the most recent fiscal year.

Government-Wide Financial Analysis (continued)

Our analysis in the table below focuses on the net position of the School's governmental activities:

Treaty Oaks Preparatory Academy
Net Position (Deficit)

	June 30, 2026
Assets:	
Current and other assets	$ 1,414,501
Capital assets, net	17,876,473
Total assets	19,290,974
Liabilities:	
Other liabilities	1,261,531
Long-term liabilities	19,803,667
Total liabilities	21,065,198
Net Position (Deficit):	
Net investment in capital assets	(237,399)
Restricted	12,238
Unrestricted	(1,549,063)
Total net position (deficit)	$ (1,774,224)

The School ended the year with total assets of $ 19,290,974 which includes $ 17,876,473 in capital assets, net of depreciation. Approximately $ 16,679,581 of the capital assets consists of a leased facility. Total liabilities as of June 30, 2026 are $ 21,065,198, which consists mainly of debt associated with the facility lease and three notes payable.

Governmental Activities: The School's overall net position decreased by $ 1,774,224 in its first year of operations. The reasons for this overall decrease are discussed in the following section for governmental activities.

Treaty Oaks Preparatory Academy
Change in Net Position (Deficit)

	June 30, 2026
Revenues:	
Program revenues:	
Charges for services	$ 291,466
Operating grants and contributions	1,015,762
Capital grants and contributions	838,734
General revenues:	
FEFP and other nonspecific revenues	4,898,904
Interest income	103
Miscellaneous income	26
Total revenues	7,044,995

Governmental Activities: (continued)

Treaty Oaks Preparatory Academy
Change in Net Position (Deficit)
(continued)

	June 30, 2026
Functions/Program Expenses:	
Instruction	$ 3,073,751
Student support services	92,883
Instructional staff training services	34,340
Instruction-related technology	340,739
Board services	18,313
General administration	21,108
School administration	1,035,689
Fiscal services	6,069
Food services	170,602
Central services	209,603
Operation of plant	1,782,435
Maintenance of plant	232,925
Administrative technology services	24,994
Community services	131,006
Extracurricular activities	67,915
Interest on long-term debt	1,576,847
Total expenses	8,819,219
Change in net position	(1,774,224)
Net position - beginning	-
Net position (deficit) - ending	$ (1,774,224)

Total revenues of $ 7,044,995 consisted primarily of per-pupil funding which is found in the FEFP and other nonspecific revenues line. The School also received NSLP and CSP federal grant revenues, state and local capital outlay allocations, and charges for food and aftercare services. Expenses totaled $ 8,819,219 for the year.

Financial Analysis of Governmental Funds

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $ 20,821, while total fund balance was $ 313,144. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 0.08% of total General Fund expenditures, while total fund balance represents 1.26% of that same amount.

The fund balance of the School's General Fund increased by $ 313,144 during the current fiscal year as a result of inception year revenues and other financing sources exceeding expenditures.

Financial Analysis of Governmental Funds (continued)

The Grants Fund does not have an increase or decrease in fund balance during the fiscal year, as this fund reports federal and certain state expenditure reimbursement grants.

The Capital Projects Fund does not have an increase or decrease in fund balance during the fiscal year as this fund reports state and local capital outlay funding that is used to cover a portion of interest expenditure.

The Club and Activities Fund experienced an increase in fund balance during the current fiscal year as extracurricular revenues associated with field trips, clubs and sports activity exceeded associated expenditures.

Significant Capital Asset and Long-term Financing Activity

Capital assets: At June 30, 2026, the School had capital assets of $ 17,876,473, invested in lease assets, furniture, fixtures and equipment, and computer equipment. Major capital assets additions for the year included $ 1,556,094 for student laptops and classroom furniture, as well as a building lease asset of $ 17,254,739. Additional information on the School's capital assets can be found in Note 6 of this report.

Debt: At June 30, 2026, the School had outstanding debt of $ 19,768,872, consisting of the issuance of a new building lease obligation of $ 17,133,697 and notes payable of $ 2,635,175 related to general operations and the purchase of furniture, fixtures and equipment and computer equipment. As a newly established school in its first year of operations, these financing arrangements were entered into during the year to support the establishment of the School's facility and the acquisition of equipment necessary for educational and administrative operations. Additional information on the School's debt can be found in Notes 7 through 9 of this report.

Currently Known Facts, Decisions, or Conditions

In fiscal year 2026, the state of Florida continued to include a teacher salary increase allocation of $ 1.36 billion. The capital outlay funding pool was at $ 231 million.

For fiscal year 2027, the funding for teacher salaries and other instructional personnel will be $ 1.56 billion. Additionally, the state of Florida approved an increase to the base funding allocation and capital outlay. A 2% merit increase for all staff was included in the budget. All other expenditures are budgeted in alignment with the enrollment changes and the School's strategic objectives.

Requests for Information

If you have questions about this report or need additional information, please contact Kera Robinson, Controller - School Accounting; Charter Schools USA, 800 Corporate Drive, Suite 700, Fort Lauderdale, Florida 33334.

BASIC
FINANCIAL STATEMENTS

Treaty Oaks Preparatory Academy
Statement of Net Position (Deficit)
June 30, 2026

	Governmental Activities
Current Assets:	
Cash and cash equivalents	$ 745,590
Due from other governments	376,581
Due from related party	7
Prepaid items	235,754
Deposits	56,569
Total current assets	1,414,501
Noncurrent Assets:	
Capital assets (depreciable and amortizable), net of accumulated depreciation and amortization	17,876,473
Total assets	19,290,974
Current Liabilities:	
Accounts payable and accrued expenses	94,778
Salaries and wages payable	277,501
Due to management company	699,484
Due to related parties	17,356
Accrued interest payable	172,412
Compensated absences	26,096
Notes payable	317,533
Total current liabilities	1,605,160
Noncurrent Liabilities:	
Compensated absences	8,699
Lease payable	17,133,697
Notes payable	2,317,642
Total noncurrent liabilities	19,460,038
Total liabilities	21,065,198
Net Position (Deficit):	
Net investment in capital assets	(237,399)
Restricted for extracurricular activities	12,238
Unrestricted	(1,549,063)
Total net position (deficit)	$ (1,774,224)

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

Treaty Oaks Preparatory Academy
Statement of Activities
For the Year Ended June 30, 2026

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Governmental Activities: Net Revenue (Expense) and Change in Net Position
Functions/Programs:					
Instruction	$ 3,073,751	$ -	$ 174,662	$ -	$ (2,899,089)
Student support services	92,883	-	-	-	(92,883)
Instructional staff training services	34,340	-	17,872	-	(16,468)
Instruction-related technology	340,739	-	-	-	(340,739)
Board services	18,313	-	-	-	(18,313)
General administration	21,108	-	-	-	(21,108)
School administration	1,035,689	-	51,322	-	(984,367)
Fiscal services	6,069	-	-	-	(6,069)
Food services	170,602	72,371	98,231	-	-
Central services	209,603	-	-	-	(209,603)
Operation of plant	1,782,435	-	593,522	-	(1,188,913)
Maintenance of plant	232,925	-	-	-	(232,925)
Administrative technology services	24,994	-	-	-	(24,994)
Community services	131,006	219,095	-	-	88,089
Extracurricular activities	67,915	-	80,153	-	12,238
Interest on long-term debt	1,576,847	-	-	838,734	(738,113)
Total governmental activities	$ 8,819,219	$ 291,466	$ 1,015,762	$ 838,734	(6,673,257)
General revenues:					
FEFP and other nonspecific revenues					4,898,904
Interest income					103
Miscellaneous income					26
Total general revenues					4,899,033
Change in net position					(1,774,224)
Net position, July 1, 2025					-
Net position (deficit), June 30, 2026					$ (1,774,224)

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

Treaty Oaks Preparatory Academy
Balance Sheet - Governmental Funds
June 30, 2026

	General Fund	Grants Fund	Capital Projects Fund	Club and Activities Fund	Total
Assets:					
Cash and cash equivalents	$ 733,352	$ -	$ -	$ 12,238	$ 745,590
Due from other governments	99,602	102,091	174,888	-	376,581
Due from other funds	276,979	-	-	-	276,979
Due from related party	7	-	-	-	7
Prepaid items	235,754	-	-	-	235,754
Deposits	56,569	-	-	-	56,569
Total assets	$ 1,402,263	$ 102,091	$ 174,888	$ 12,238	$ 1,691,480
Liabilities:					
Accounts payable and accrued expenses	$ 94,778	$ -	$ -	$ -	$ 94,778
Salaries and wages payable	277,501	-	-	-	277,501
Due to management company	699,484	-	-	-	699,484
Due to related parties	17,356	-	-	-	17,356
Due to other funds	-	102,091	174,888	-	276,979
Total liabilities	1,089,119	102,091	174,888	-	1,366,098
Fund Balances:					
Nonspendable:					
Prepaid items	235,754	-	-	-	235,754
Deposits	56,569	-	-	-	56,569
Restricted for extracurricular activities	-	-	-	12,238	12,238
Unassigned	20,821	-	-	-	20,821
Total fund balances	313,144	-	-	12,238	325,382
Total liabilities and fund balances	$ 1,402,263	$ 102,091	$ 174,888	$ 12,238	$ 1,691,480

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

Treaty Oaks Preparatory Academy
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position (Deficit)
June 30, 2026

Total Fund Balances - Governmental Funds		$ 325,382
Amounts reported for governmental activities in the statement of net position (deficit) are different because:		
The cost of capital assets acquired is reported as an expenditure in the governmental fund statements. The statement of net position (deficit) includes those capital assets, net of accumulated depreciation and amortization, among the assets of the School as a whole.		
Cost of capital assets	$ 18,810,833	
Accumulated depreciation and amortization	(934,360)	17,876,473
Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.		
Compensated absences	(34,795)	
Accrued interest payable	(172,412)	
Lease payable	(17,133,697)	
Notes payable	(2,635,175)	(19,976,079)
Net Position (Deficit) of Governmental Activities		$ (1,774,224)

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

Treaty Oaks Preparatory Academy
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2026

	General Fund	Grants Fund	Capital Projects Fund	Club and Activities Fund	Total
Revenues:					
Federal sources	$ -	$ 926,204	$ -	$ -	$ 926,204
State sources	4,339,577	1,605	357,128	-	4,698,310
Local sources	567,153	72,371	481,606	80,153	1,201,283
Interest income	103	-	-	-	103
Aftercare	219,095	-	-	-	219,095
Total revenues	5,125,928	1,000,180	838,734	80,153	7,044,995
Expenditures:					
Current:					
Instruction	2,746,721	166,862	-	-	2,913,583
Student support services	92,883	-	-	-	92,883
Instructional staff training services	16,468	17,872	-	-	34,340
Instruction-related technology	107,513	-	-	-	107,513
Board services	18,313	-	-	-	18,313
General administration	21,108	-	-	-	21,108
School administration	984,367	51,322	-	-	1,035,689
Fiscal services	6,069	-	-	-	6,069
Food services	-	170,602	-	-	170,602
Central services	209,603	-	-	-	209,603
Operation of plant	1,176,916	30,361	-	-	1,207,277
Maintenance of plant	232,925	-	-	-	232,925
Administrative technology services	24,391	-	-	-	24,391
Community services	131,006	-	-	-	131,006
Extracurricular activities	-	-	-	67,915	67,915
Capital outlay	18,247,672	563,161	-	-	18,810,833
Debt service:					
Principal	332,972	-	-	-	332,972
Interest	565,701	-	838,734	-	1,404,435
Total expenditures	24,914,628	1,000,180	838,734	67,915	26,821,457
Excess (deficiency) of revenues over (under) expenditures	(19,788,700)	-	-	12,238	(19,776,462)
Other Financing Sources:					
Issuance of lease payable	17,254,739	-	-	-	17,254,739
Issuance of notes payable	2,847,105	-	-	-	2,847,105
Total other financing sources	20,101,844	-	-	-	20,101,844
Net change in fund balances	313,144	-	-	12,238	325,382
Fund Balances, July 1, 2025	-	-	-	-	-
Fund Balances, June 30, 2026	$ 313,144	$ -	$ -	$ 12,238	$ 325,382

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

Treaty Oaks Preparatory Academy
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2026

Net Change in Fund Balances - Governmental Funds		$ 325,382
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets are depreciated over their estimated useful lives as depreciation and amortization.		
Capital outlays	$ 18,810,833	
Depreciation and amortization	(934,360)	17,876,473
Principal payments on long-term debt are reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the statement of net position (deficit).		332,972
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position (deficit).		(20,101,844)
Certain items reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds.		
Change in compensated absences	(34,795)	
Change in accrued interest payable	(172,412)	(207,207)
Change in Net Position (Deficit) of Governmental Activities		$ (1,774,224)

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

Note 1 - Organization and Operations

The Renaissance Charter School, Inc. ("RCS") was organized in August 1998 as a Florida nonprofit corporation. Treaty Oaks Preparatory Academy (the "School") is a Department of RCS and is established as a public charter school to serve students from kindergarten to sixth grade in St. Johns County. There were 525 students enrolled for the 2025/2026 school year.

The 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 RCS as of June 30, 2026, and its changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The School operates under a charter granted by the sponsoring School District of St. Johns County (the "District"). The current charter is effective until June 30, 2030. The charter will be automatically extended on a month-to-month basis until it has been renewed, non-renewed, or terminated by the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable, which would require inclusion in the School's financial statements.

Basis of presentation: The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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 funds 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 funds financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental funds financial statements.

The School's major governmental funds are as follows:

General Fund - This fund is used to account for all operating activities of the School except for those required to be accounted for in another fund.

Grants Fund - This special revenue fund is used to account for federal grants and certain state grants that are legally restricted for specific program purposes. The fund also accounts for food service operations and related revenues and expenditures that are restricted for food service activities.

Capital Projects Fund - This fund is used to account for state and local capital outlay funding that is legally restricted to expenditures for particular purposes.

Club and Activities Fund - This special revenue fund is used to administer funds raised and earned by the various clubs and activities that are part of the School but restricted for use in the extracurricular activities.

During the course of operations, the School has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in the governmental fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note 2 - Summary of Significant Accounting Policies (continued)

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within one hundred and twenty days of the end of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source.

All other revenue items are considered to be measurable and available only when cash is received by the School. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Student funding is provided by the State of Florida through the District. Such funding is recorded as FEFP revenue in the government-wide financial statements and state source revenue in the fund financial statements. This funding is received on a prorated basis over the 12-month period and is adjusted for changes in full-time equivalent (FTE) student population.

Cash and cash equivalents: The School considers all demand accounts and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents. The School maintains its cash accounts with one financial institution. The School's accounts at this institution, at times, may exceed the federal insured limit; however, the School's deposits are collateralized in accordance with Chapter 280 of the Florida Statutes (Note 3).

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Income taxes: The School is a department of a nonprofit corporation. Revenue of the School is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements.

Capital assets: Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost equal to or greater than $ 750 and useful life of over one year. Donated capital assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all capital assets is provided on the straight-line basis over the estimated useful lives as follows:

Furniture, fixtures and equipment	5 years
Computer equipment	3 years

Note 2 - Summary of Significant Accounting Policies (continued)

The School has recorded a right-to-use lease asset as required by GAAP. The right-to-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use asset is amortized on a straight-line basis over the life of the related lease.

Deferred outflows/inflows of resources: In addition to assets, the statement of net 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 assets 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 statement of net 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 assets that applies to a future period 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.

Unearned revenue: Unearned revenue arises when the School receives resources before it has a legal claim to them.

Compensated absences: The School's policy permits employees to accumulate earned but unused paid time off, which is eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Payments for compensated absences are generally paid out of the General Fund.

Net position: Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation and amortization reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

- Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

- Unrestricted - the residual portion of net position that does not meet the definition of the other two categories.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

Fund balance: The governmental fund financial statements present fund balances based on the provisions of GAAP, which provides clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental funds financial statements:

- Nonspendable - this classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies inventories, prepaid items, long-term notes receivable and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted - this classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.

- Committed - this classification includes amounts that can be used for specific purposes voted on through formal action of the Board of Directors (the highest level of decision-making authority). The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.

- Assigned - this classification includes amounts that the Board of Directors intends to use for a specific purpose, but they are neither restricted nor committed. The School classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.

- Unassigned - this classification includes amounts that have not been restricted, committed or assigned for a specific purpose within the General Fund.

The details of the fund balances are included in the Governmental Funds Balance Sheet on page 11.

When the School incurs expenditures for which restricted or unrestricted fund balance is available, the School would consider restricted funds to be spent first. When the School has expenditures for which committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of management review: The School has evaluated subsequent events through September 30, 2026, which is the date the financial statements were available to be issued.

Note 2 - Summary of Significant Accounting Policies (continued)

Adoption of new accounting standards: The School implemented GASB Statement No. 103, *Financial Reporting Model Improvements,* during the year ended June 30, 2026. The statement revised certain financial reporting requirements, including the content and presentation of management's discussion and analysis and other financial statement presentation and disclosure requirements.

The School also implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets,* which addresses obligations for governmental entities to separately disclose certain types of capital assets. Implementation did not change the presentation and related disclosures of the School.

The adoption of both standards did not affect any amounts previously reported in the School's financial statements.

Note 3 - Cash and Cash Equivalents

At June 30, 2026, the carrying amount of the deposits and cash on hand totaled $ 745,590, with a bank balance of $ 770,442.

State statutes require, and it is the School's policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and the reporting requirements of the qualified public depositor to the Treasurer are defined by statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School's deposits of $ 520,442 in excess of the federal insured limit of $ 250,000 are held in a qualified public depository and are covered by the collateral pool held in the name of the financial institution's trust department or agent, but not in the School's name.

Note 4 - Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2026, is as follows:

Due From/To Other Funds		
Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund	$ 102,091
General Fund	Capital Projects Fund	174,888
		$ 276,979

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 5 - Due From/To Related Parties

Due from/to balances represent amounts that are due from RCS and due to other schools that share common board membership and are Departments of RCS, which are expected to be repaid within one year.

Note 6 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2026, are as follows:

	Balance at July 1, 2025	Additions	Deletions	Balance at June 30, 2026
Capital assets being depreciated/ amortized:				
Furniture, fixtures and equipment	$ -	$ 712,475	$ -	$ 712,475
Computer equipment	-	843,619	-	843,619
Lease assets:				
Building	-	17,254,739	-	17,254,739
Total capital assets being depreciated/amortized	-	18,810,833	-	18,810,833
Accumulated depreciation/ amortization:				
Furniture, fixtures and equipment	-	125,373	-	125,373
Computer equipment	-	233,829	-	233,829
Lease assets:				
Building	-	575,158	-	575,158
Total accumulated depreciation/ amortization	-	934,360	-	934,360
Net capital assets being depreciated/amortized	$ -	$ 17,876,473	$ -	$ 17,876,473

Depreciation and amortization were charged to governmental activities as follows:

Instruction	$ 125,373
Instruction-related technology	233,226
Administrative technology services	603
Operation of plant	575,158
Total	$ 934,360

Note 7 - Lease Payable

Red Apple Development, LLC and subsidiaries ("RAD") entered into one building lease agreement with RCS. The building, which is owned by RAD, is leased by RCS on behalf of the School under a 30-year lease. The lease agreement qualifies as other than a short-term lease under GAAP and, therefore, has been recorded at the present value of the future minimum lease payments. The discount rate used to recognize the lease asset and the lease liability was 9.50%. In addition to rent, RCS shall pay RAD the total cost of ad valorem taxes, assessments and levies imposed upon the premises. There were no additional amounts paid for the year ended June 30, 2026.

In addition to the lease payments noted above, the School is required to pay incremental rent payments to RAD. The incremental monthly rent payments range from approximately $ 123,500 for fiscal year 2027 to $ 215,000 for fiscal year 2055. These incremental rent payments are contingent upon the School having available revenues. For the year ended June 30, 2026, $ 363,500 was paid in incremental rent.

The following is a schedule of the School's future lease payments as of June 30, 2026:

June 30,	Principal	Interest	Total
2027	$ -	$ 1,650,821	$ 1,650,821
2028	-	1,666,296	1,666,296
2029	-	1,680,340	1,680,340
2030	-	2,531,750	2,531,750
2031	-	1,703,305	1,703,305
2032-2036	-	8,591,189	8,591,189
2037-2041	68,761	9,329,744	9,398,505
2042-2046	2,843,102	7,533,602	10,376,704
2047-2051	5,933,697	5,523,024	11,456,721
2052-2055	8,288,137	1,730,010	10,018,147
	$ 17,133,697	$ 41,940,081	$ 59,073,778

Note 8 - Notes Payable

During the year, the School entered into two note payable arrangements for the purchase of certain furniture, fixtures and equipment and computer equipment. The notes require monthly payments of $ 17,070, including interest at 10.283%, and $ 16,385, including interest at 9.840%, respectively. Principal and interest payments are due through October 2028 and October 2029 respectively.

During the year, the School also entered into a note payable agreement with a related party of the School's management company (Note 11) providing cash for general operations. The note accrues interest at 9.0% per annum and matures on June 18, 2031. No periodic payments of principal or interest are required under the agreement, and the outstanding principal balance, together with accrued and unpaid interest, is due in a single balloon payment upon maturity in June 2031. The note may be prepaid without penalty.

Note 8 - Notes Payable (continued)

The following is a schedule of the combined future minimum payments under these notes payable agreements as of June 30, 2026:

June 30,	Principal	Interest	Total
2027	$ 317,533	$ 83,927	$ 401,460
2028	351,048	50,412	401,460
2029	247,376	17,524	264,900
2030	64,218	1,322	65,540
2031	1,655,000	746,382	2,401,382
	$ 2,635,175	$ 899,567	$ 3,534,742

Note 9 - Long-Term Liabilities

Changes in the School's long-term liabilities for the fiscal year ended June 30, 2026, are as follows:

	Balance at July 1, 2025	Additions	Deletions	Balance at June 30, 2026	Amount Due Within One Year
Lease - building	$ -	$ 17,254,739	$ 121,042	$ 17,133,697	$ -
Note payable - furniture, fixtures, and equipment	-	656,447	99,612	556,835	148,401
Note payable - computer equipment	-	535,658	112,318	423,340	169,132
Note payable - operations	-	1,655,000	-	1,655,000	-
Compensated absences	-	34,795	* -	34,795	26,096
	$ -	$ 20,136,639	$ 332,972	$ 19,803,667	$ 343,629

* The change in compensated absences above is a net change for the year.

Note 10 - Employee Benefit Plan

During the year ended June 30, 2026, the School offered all of its full-time employees who had attained 21 years of age a retirement plan (the "Plan") under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 100% of his/her annual gross compensation, subject to certain limitations. The Plan provides for a discretionary employer matching contribution of the participant's annual elective deferral to the Plan. As determined annually by the School's management, the School may also make a discretionary profit-sharing contribution, which is allocated among the participants based on a pro rata formula. Participants are immediately vested in their own contributions and earnings on those contributions.

Note 10 - Employee Benefit Plan (continued)

Participants become vested in School contributions and earnings on School contributions according to the following schedule:

Years of Service	Vesting Percentage
1	25%
2	50%
3	75%
4	100%

Nonvested contributions are forfeited upon termination of employment, and such forfeitures are used to reduce any employer contribution. For the Plan year ended December 31, 2025, the School had no forfeitures. For the year ended June 30, 2026, the School contributed a matching amount of $ 16,674.

Note 11 - Commitments

Management agreement: The School has a formal agreement with Charter Schools USA, Inc. at Treaty Oaks, LLC, a wholly-owned subsidiary of Charter Schools USA, Inc. ("CSUSA") to manage, staff and operate the School. The agreement expires in June 2030, consistent with the term of the School's charter contract, unless terminated earlier in accordance with the agreement. The management agreement will automatically extend for a term consistent with any renewal, extension, or replacement of the charter contract, provided CSUSA performs in accordance with the terms of the management agreement. The agreement states that CSUSA shall be entitled to a management fee equal to 15% of the School's revenues, as defined in the agreement and included in the annual budget approved by the Board of Directors. CSUSA did not receive a fee for the year ended June 30, 2026.

The School had an amount of $ 699,484 due to CSUSA for the year ended June 30, 2026 for expenses paid on behalf of the School.

Post-employment benefits: The School does not provide post-employment benefits to retired employees.

Note 12 - Capital Appropriations Funding

The Florida Department of Education has approved a Charter School Capital Outlay ("CSCO") award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes those funds are allocated among eligible charter schools. The funds for the School's allocation are transferred to the School once a CSCO plan has been provided to and approved by the sponsoring District. The School's CSCO award totaled $ 357,128 for the 2025/2026 school year which has been recognized as revenue in the accompanying financial statements. If the CSCO funds are used to acquire tangible property assets, the District has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the District. The School has elected to use these funds to pay a portion of debt service expenditures.

Local Capital Improvement Revenue ("LCIR") funds are also appropriated by the District for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the CSCO award. The School's LCIR award totaled $ 357,508 for the 2025/2026 school year which has been recognized as revenue in the accompanying financial statements.

Note 12 - Capital Appropriations Funding (continued)

Local Capital Outlay Surtax ("LCOS") funds are also appropriated by the District for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the LCIR award. The School's LCOS totaled $ 124,098 for the 2025/2026 school year, which has been recognized as revenue in the accompanying financial statements. As of June 30, 2026, all funds were expended and no funds were subject to restriction.

Note 13 - Risk Management

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets and natural disasters. The School has obtained property insurance from commercial companies including, but not limited to, general liability and errors and omissions insurance. There were no claims in excess of insurance coverage limits during the past year.

As disclosed in Note 11, CSUSA employs all of the employees of the School. As a result, the School is not exposed to medical or workers' compensation claims for these individuals. In addition, CSUSA carries all required insurance including, but not limited to, general liability and errors and omissions insurance.

REQUIRED SUPPLEMENTARY INFORMATION

Treaty Oaks Preparatory Academy
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2026

	Original Budget	Final Budget	Original vs. Final Budget Variance	Actual	Actual vs. Final Budget Variance
Revenues:					
State sources	$ 6,175,228	$ 4,387,384	$ (1,787,844)	$ 4,339,577	$ (47,807)
Local sources	1,395,000	621,928	(773,072)	567,153	(54,775)
Interest income	-	48	48	103	55
Aftercare	203,040	143,370	(59,670)	219,095	75,725
Total revenues	7,773,268	5,152,730	(2,620,538)	5,125,928	(26,802)
Expenditures:					
Current:					
Instruction	2,854,693	3,260,505	405,812	2,746,721	513,784
Student support services	46,322	170,036	123,714	92,883	77,153
Instructional media services	-	3,037	3,037	-	3,037
Instruction and curriculum development services	20,218	24,600	4,382	-	24,600
Instructional staff training services	3,500	7,011	3,511	16,468	(9,457)
Instruction-related technology	151,152	134,955	(16,197)	107,513	27,442
Board services	332,806	177,698	(155,108)	18,313	159,385
General administration	-	-	-	21,108	(21,108)
School administration	1,531,152	1,066,324	(464,828)	984,367	81,957
Fiscal services	11,546	-	(11,546)	6,069	(6,069)
Central services	122,410	212,081	89,671	209,603	2,478
Operation of plant	2,112,470	2,167,871	55,401	1,176,916	990,955
Maintenance of plant	236,400	160,683	(75,717)	232,925	(72,242)
Administrative technology services	-	-	-	24,391	(24,391)
Community services	34,320	66,289	31,969	131,006	(64,717)
Capital outlay	1,324,151	1,356,546	32,395	18,247,672	(16,891,126)
Debt service:					
Principal	-	-	-	332,972	(332,972)
Interest	-	-	-	565,701	(565,701)
Total expenditures	8,781,140	8,807,636	26,496	24,914,628	(16,106,992)
Deficiency of revenues under expenditures	(1,007,872)	(3,654,906)	(2,647,034)	(19,788,700)	(16,133,794)
Other Financing Sources:					
Issuance of lease payable	-	-	-	17,254,739	17,254,739
Issuance of notes payable	1,007,872	3,654,906	2,647,034	2,847,105	(807,801)
Total other financing sources	1,007,872	3,654,906	2,647,034	20,101,844	16,446,938
Net change in fund balance	$ -	$ -	$ -	313,144	$ 313,144
Fund Balance, July 1, 2025				-	
Fund Balance, June 30, 2026				$ 313,144	

See accompanying notes to budgetary comparison schedules.

Treaty Oaks Preparatory Academy
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Grants Fund
For the Year Ended June 30, 2026

	Original Budget	Final Budget	Original vs. Final Budget Variance	Actual	Actual vs. Final Budget Variance
Revenues:					
Federal sources:					
National School Lunch Program	$ 293,783	$ 164,567	$ (129,216)	$ 126,987	$ (37,580)
CSP Grant	-	-	-	799,217	799,217
State sources:					
National School Lunch Program	-	-	-	1,605	1,605
Local sources:					
Cafeteria sales	-	42,878	42,878	72,371	29,493
Total revenues	293,783	207,445	(86,338)	1,000,180	792,735
Expenditures:					
Current:					
Instruction	-	-	-	166,862	(166,862)
Instructional staff training services	-	-	-	17,872	(17,872)
School administration	-	-	-	51,322	(51,322)
Food services	268,926	196,370	(72,556)	170,602	25,768
Operation of plant	24,857	11,075	(13,782)	30,361	(19,286)
Capital outlay	-	-	-	563,161	(563,161)
Total expenditures	293,783	207,445	(86,338)	1,000,180	(792,735)
Net change in fund balance	$ -	$ -	$ -	-	$ -
Fund Balance, July 1, 2025				-	
Fund Balance, June 30, 2026				$ -	

See accompanying notes to budgetary comparison schedules.

Note 1 - Budgetary Policy and Basis of Accounting

An operating budget is adopted and maintained by the Governing Board for all governmental funds except the Capital Projects Fund and the Club and Activities Fund, pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting used in the preparation of the financial statements. All appropriations lapse at the end of the fiscal year.

The level of budgetary control is at the fund level. The School principal may make unlimited transfers between functional categories throughout the year. Any budget transfers made must be discussed with management and presented to the Governing Board. A potential increase in expenditures over approved budget should be approved by the Governing Board.

Note 2 - Budgetary Highlights between Original Budget and Final Budget

In the General Fund, revenues were revised downward in the final budget to better approximate per-student funding for the inception year, causing reductions in state, local and aftercare funding. Expenditures were also revised to adjust personnel cost allocations among the functions. Other financing sources were increased to reflect the impact of additional notes payable issued.

In the Grants Fund, revenues were revised downward in the final budget to reflect a smaller NSLP award for the year due to student enrollment for the year being smaller than originally projected. Expenditures were also revised downward for the same reason.

Note 3 - Budgetary Highlights between Actual Results and Final Budget

In the General Fund, actual revenues were unfavorable compared to the final budget for the year ended June 30, 2026, primarily due to state and local revenues falling short of projections as a result of enrollment coming in below budget. Offsetting the decline was a favorable variance in aftercare revenues as a result of higher-than-projected participation in the program. Total expenditures were unfavorable compared to the final budget, primarily due to a large capital outlay expenditure for the new building lease asset, which was offset by other financing sources associated with the issuance of the associated lease obligation. Operation of plant had a favorable variance offset by debt service unfavorable variances as the budget projected the payment of rent on an operating lease. Instruction and other functions saw favorable variances due to the enrollment falling short of budget projections.

In the Grants Fund, actual revenues were favorable compared to the final budget for the year ended June 30, 2026, primarily due to higher-than-anticipated funding from the CSP Grant. Expenditures were unfavorable compared to the final budget, primarily due to higher-than-budgeted instructional, school administration and capital outlay costs covered by CSP Grant Funding.

Note 4 - Excess of Expenditures over Appropriations

In the General Fund, expenditures for the year ended June 30, 2026, exceeded appropriations by $ 16,106,992. These over-expenditures were funded by greater than anticipated other financing sources.

In the Grants Fund, expenditures for the year ended June 30, 2026, exceeded appropriations by $ 792,735. These over-expenditures were funded by greater than anticipated revenues.

OTHER INDEPENDENT AUDITOR'S REPORTS

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Treaty Oaks Preparatory Academy
St. Augustine, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Treaty Oaks Preparatory Academy (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School District of St. Johns 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 30, 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 have not been identified.

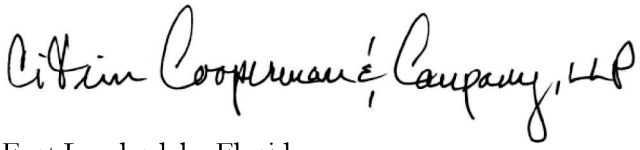
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free 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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Lauderdale, Florida
September 30, 2026

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MANAGEMENT LETTER REQUIRED BY CHAPTER 10.850 OF THE *RULES OF THE AUDITOR GENERAL* OF THE STATE OF FLORIDA

To the Board of Directors
Treaty Oaks Preparatory Academy
St. Augustine, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities and each major fund of Treaty Oaks Preparatory Academy (the "School"), as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 30, 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.

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 that report, which is dated September 30, 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. This is the School's first annual financial audit; therefore, there were no prior audit findings requiring follow-up.

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 School are Treaty Oaks Preparatory Academy and 550014.

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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 conditions met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

Transparency

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 maintained 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 have occurred, or are likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
September 30, 2026

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