

**ROWLETT ACADEMY  
(A CHARTER SCHOOL UNDER  
WILLIAM MONROE ROWLETT ACADEMY  
FOR ARTS & COMMUNICATION, INC.)**

**A CHARTER SCHOOL AND COMPONENT  
UNIT OF THE SCHOOL DISTRICT OF  
MANATEE COUNTY, FLORIDA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2026**

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
FINANCIAL STATEMENTS

---

TABLE OF CONTENTS

|                                                                                                                                                  | <u>PAGE</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| INDEPENDENT AUDITOR'S REPORT                                                                                                                     | 1 – 3       |
| MANAGEMENT'S DISCUSSION AND ANALYSIS                                                                                                             | 4 – 9       |
| FINANCIAL STATEMENTS                                                                                                                             |             |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS:                                                                                                            |             |
| STATEMENT OF NET POSITION                                                                                                                        | 10          |
| STATEMENT OF ACTIVITIES                                                                                                                          | 11          |
| FUND FINANCIAL STATEMENTS:                                                                                                                       |             |
| BALANCE SHEET – GOVERNMENTAL FUNDS                                                                                                               | 12          |
| RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE<br>STATEMENT OF NET POSITION                                                     | 13          |
| STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND<br>BALANCES – GOVERNMENTAL FUNDS                                                         | 14          |
| RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND<br>CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT<br>OF ACTIVITIES | 15          |
| STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND                                                                                             | 16          |
| STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND                                                                                  | 17          |
| NOTES TO FINANCIAL STATEMENTS                                                                                                                    | 18 – 33     |
| REQUIRED SUPPLEMENTARY INFORMATION                                                                                                               |             |
| SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –<br>BUDGET AND ACTUAL – GENERAL FUND                                            | 34          |
| SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –<br>BUDGET AND ACTUAL – SPECIAL REVENUE FUND                                    | 35          |
| NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGET                                                                                             | 36          |
| SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE<br>NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM                                 | 37          |
| SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET<br>PENSION LIABILITY – RETIREE HEALTH INSURANCE SUBSIDY                          | 38          |

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
FINANCIAL STATEMENTS

---

TABLE OF CONTENTS – CONTINUED

|                                                                                                                                                                                                                                     | <u>PAGE</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| REQUIRED SUPPLEMENTARY INFORMATION – CONTINUED                                                                                                                                                                                      |             |
| SCHEDULE OF THE CHARTER SCHOOL’S CONTRIBUTIONS – FLORIDA RETIREMENT<br>SYSTEM                                                                                                                                                       | 39          |
| SCHEDULE OF CHARTER SCHOOL’S CONTRIBUTIONS – RETIREE HEALTH INSURANCE<br>SUBSIDY                                                                                                                                                    | 40          |
| NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION                                                                                                                                                                               | 41          |
| OTHER AUDITOR’S REPORTS                                                                                                                                                                                                             |             |
| INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL<br>REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT<br>OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT<br/>AUDITING STANDARDS</i> | 42 – 43     |
| MANAGEMENT LETTER                                                                                                                                                                                                                   | 44 – 45     |

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Rowlett Academy  
(a charter school under William Monroe Rowlett Academy for  
Arts & Communication, Inc.), a charter school and component  
unit of the School District of Manatee County, Florida

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rowlett Academy (the "Charter School"), a charter school under William Monroe Rowlett Academy for Arts & Communication, Inc., (a charter school and component unit of the School District of Manatee County, Florida), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Charter 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 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 Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Charter 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charter 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 Charter School's ability to continue as a going concern for a reasonable period of time.

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

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

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2026 on our consideration of the Charter 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 Charter 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 Charter School's internal control over financial reporting and compliance.

CS&L CPAs

**CS&L CPAs, P.A.**

September 25, 2026  
Bradenton, Florida

**ELEMENTARY CAMPUS**

3500 9th Street East  
Bradenton, FL 34208

Phone: 941-708-6100  
Fax: 941-708-6109



www.rowlettelementaryacademy.org

**PRINCIPAL**  
Scott Flynn, EdS

**ASSISTANT PRINCIPAL**  
Mihija Daniel, EdS

**K-8 HEAD OF SCHOOLS**  
Cathy Choate, EdS

---

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Rowlett Academy, a charter school under William Monroe Rowlett Academy for Arts & Communication, Inc. and a charter school and component unit of the School District of Manatee County, Florida, we offer readers of the financial statements this narrative overview and analysis of the financial activities of Rowlett Academy for the fiscal year ended June 30, 2026.

Readers should review this Management's Discussion and Analysis (MD&A) in addition to the financial statements and the accompanying notes to the financial statements to gain an understanding of Rowlett Academy as an operating entity.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Rowlett Academy at the William Monroe Rowlett Academy for Arts & Communication, Inc., 3500 9<sup>th</sup> St. E, Bradenton, Florida 34208.

### **Overview of the Financial Statements**

The discussion and analysis is intended to serve as an introduction to the Rowlett Academy's financial statements. Rowlett Academy's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

### **Government-wide Financial Statements**

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

The statement of net position presents information on all of Rowlett Academy's assets plus deferred outflows less liabilities and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Rowlett Academy is improving or deteriorating.

The statement of activities presents information showing how Rowlett Academy's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement from some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Rowlett Academy that are principally supported by revenues, grants and contributions not restricted to specific programs

from other functions that are intended to recover a significant portion of their costs through user fees. The governmental activities of Rowlett Academy include various functions including instruction, school administration, operation of plant, among others.

### **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. Rowlett Academy, like other state and local government component units, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The individual generic fund type in Rowlett Academy's financial statements is a governmental fund. 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, the governmental fund financial statements focus on inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating Rowlett Academy's near-term financing requirements.

Rowlett Academy has four governmental funds: a General Fund, a Special Revenue Fund, a Capital Projects Fund and a Debt Service Fund. Rowlett Academy has elected to report all four funds as major funds.

### **Notes to Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The information in the notes is as important to understanding Rowlett Academy's finances as the information in the financial statements. Rowlett Academy uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies). The notes to the basic financial statements can be found commencing on page 18 of this report.

### **Financial Summary**

Comparative condensed statements of net position and condensed statements of activities are shown below:

Condensed Statements of Net Position - Governmental Activities

|                                  | 2026         | 2025         | Change      |
|----------------------------------|--------------|--------------|-------------|
| Current and other assets         | \$ 3,998,589 | \$ 3,817,801 | \$ 180,788  |
| Capital assets                   | 3,268,024    | 3,555,377    | (287,353)   |
| Total assets                     | 7,266,613    | 7,373,178    | (106,565)   |
| Deferred outflows                | 1,407,075    | 1,685,337    | (278,262)   |
| Current liabilities              | 1,090,371    | 892,008      | 198,363     |
| Noncurrent liabilities           | 5,186,680    | 6,670,248    | (1,483,568) |
| Total liabilities                | 6,277,051    | 7,562,256    | (1,285,205) |
| Deferred inflows                 | 1,211,158    | 837,794      | 373,364     |
| Net position                     |              |              |             |
| Net investment in capital assets | 2,692,537    | 2,822,884    | (130,347)   |
| Restricted                       | 454,186      | 424,633      | 29,553      |
| Unrestricted (deficit)           | (1,961,244)  | (2,589,052)  | 627,808     |
| Total net position               | \$ 1,185,479 | \$ 658,465   | \$ 527,014  |

Total assets consist mainly of cash and capital assets used to provide services to students. The majority of the liabilities include accounts payable, accrued expenses and long-term liabilities as described in Note 3.

The statement of activities presents information showing how Rowlett Academy's net position increased or decreased during the current year. A comparative, condensed version of the statement activities is presented on the following page.

Condensed Statements of Activities - Governmental Activities

|                                                              | 2026         | 2025         | Change     |
|--------------------------------------------------------------|--------------|--------------|------------|
| Revenues:                                                    |              |              |            |
| Program revenues:                                            |              |              |            |
| Charges for services                                         | \$ 1,242,668 | \$ 1,156,416 | \$ 86,252  |
|                                                              | 1,242,668    | 1,156,416    | 86,252     |
| General revenues:                                            |              |              |            |
| Grants and contributions not restricted to specific programs | 9,501,344    | 10,204,906   | (703,562)  |
| Sale of capital assets                                       | (3,962)      | 22,959       | (26,921)   |
| Total general revenues                                       | 9,497,382    | 10,227,865   | (730,483)  |
| Total revenues                                               | 10,740,050   | 11,384,281   | (644,231)  |
| Expenses:                                                    |              |              |            |
| Instruction                                                  | 6,245,426    | 6,748,695    | (503,269)  |
| Pupil personnel services                                     | 491,451      | 487,900      | 3,551      |
| Instructional media services                                 | 268,724      | 224,916      | 43,808     |
| Instructional staff training                                 | 258,883      | 250,060      | 8,823      |
| General administration                                       | 116,728      | 233,563      | (116,835)  |
| School administration                                        | 404,496      | 475,788      | (71,292)   |
| Professional services                                        | 283,645      | 254,640      | 29,005     |
| Food services                                                | 572,264      | 600,649      | (28,385)   |
| Central services                                             | 61,906       | 73,843       | (11,937)   |
| Pupil transportation services                                | 499,552      | 526,258      | (26,706)   |
| Operation of plant                                           | 778,193      | 714,569      | 63,624     |
| Community services                                           | 208,582      | 191,739      | 16,843     |
| Maintenance of plant                                         | 23,186       | 10,341       | 12,845     |
| Total expenses                                               | 10,213,036   | 10,792,961   | (579,925)  |
| Change in net position                                       | 527,014      | 591,320      | (64,306)   |
| Net Position – Beginning                                     | 658,465      | 232,742      | 425,723    |
| Change in accounting principle                               | -            | (165,597)    | 165,597    |
| Net Position – Ending                                        | \$ 1,185,479 | \$ 658,465   | \$ 527,014 |

### **Detailed Analyses**

#### **Governmental Activities**

The condensed statements of net position table shows a decrease in total assets of \$106,565, or 1.4%, due to a decrease of \$287,353 in capital assets. Current and other assets increased \$180,788, or 4.7% due to additional receivables from Rowlett Middle Academy.

Noncurrent liabilities decreased \$1,483,568 or 22.2% due to a decrease in Rowlett Academy's recognition of its proportionate share in the Florida Retirement System pension plans and principal payments made against long term debt balances.

As of June 30, 2026, Rowlett Academy had net position of \$1,185,479, which is the difference between total assets and deferred outflows of resources less total liabilities and deferred inflows of resources. Net position increased by \$527,014 during 2026. The unrestricted net deficit was \$1,961,244 as of June 30, 2026, reduced by \$627,808 from the prior year. The deficit is a result of the recognition of Rowlett Academy's proportionate share in the Florida Retirement System pension plans.

The condensed statements of activities table shows both revenues and expenses decreased over the previous year. A decrease of \$703,562 or 6.9% for grants and contributions not restricted to specific programs was due to a decrease in COVID relief funds of \$654,875 and other decreases due to student count.

Total expenses decreased \$579,925 or 5.4% largely due to decreases in instruction of \$503,269 or 7.5% and general administration of \$116,835 or 50.0%. Both of these decreases were primarily due to salaries and related personnel costs.

### **Governmental Funds**

The General Fund is the general operating fund of Rowlett Academy. The fund balance of the General Fund totaled \$2,454,496 as of June 30, 2026, which decreased by \$46,982 during the year. Unassigned fund balance was \$2,368,857 as of June 30, 2026 which is available for future spending. The General Fund saw a decrease in both revenue and an increase in expenditures during the current year, noting revenues decreased \$664,347 or 6.1% while expenditures had an increase of \$169,090 or 1.7%. The decrease in revenue is primarily due to reduced COVID relief funding and other decreases due to student count, while the increase in expenditures was due largely to increases related to salaries and related benefits.

The Special Revenue Fund accounts for the activities of the food service program that serves breakfast and lunches to students with federal and other funding. The Special Revenue Fund revenue of \$605,122 increased over the prior year \$47,037 or 8.4%, while expenditures in the current year of \$575,569 were also comparable to the prior year of \$585,972.

The Capital Projects Fund is used to account for all capital activity, including right-to-use lease and subscription assets. The Capital Projects Fund had no revenues in the current or prior year. The current year had expenditures of \$165,828 and transfers in from the General Fund to cover the expenditures of \$149,865 during the year ended June 30, 2026. Expenditures decreased \$460,795 over the prior year largely due to reduced leasehold improvement additions of \$306,542, and furniture and equipment additions of \$118,095. There is no fund balance in the capital projects fund as of June 30, 2026.

The Debt Service Fund is used to account for all proceeds and payments, including interest, related to capital leases and long-term debt. Debt service for the current year totaled \$200,051 and is consistent with the prior year amount of \$208,905, all of which is funded through transfers from the General Fund.

### **Significant Capital Assets and Long-Term Financing Activity**

#### **Capital Assets**

In addition to non-depreciable capital assets, Rowlett Academy has depreciable capital assets, right-to-use assets, and subscription-based information technology agreements. Depreciable capital assets include leasehold improvements, furniture, fixtures and equipment, and vehicles.

The carrying value of capital assets decreased in the current year 8.1% from \$3,555,377 to \$3,268,024. Current year activity included leasehold improvements of \$141,486 and accounting software of \$24,342. Depreciation and amortization on capital assets totaled \$453,181.

See Note 2 to the financial statements for additional detail of the capital asset activity for the year.

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

Rowlett Academy's long-term financing obligations include a note payable, a subscription liability and a lease liability. Total borrowings on the note payable outstanding at June 30, 2026 were \$514,170. The total subscription liability and lease liability balances outstanding at June 30, 2026 were \$15,963 and \$45,354, respectively.

See Note 3 to the financial statements for more details on the long-term liabilities.

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

Rowlett Academy opened as an elementary school in the 2001-2002 school year as the first full-choice magnet school in Manatee County. During 2014, the School District of Manatee County (the "School District") approved it as a charter school which operates independently from the School District. Rowlett Academy's charter is held by William Monroe Rowlett Academy for Arts & Communication, Inc. which incorporated as a not-for-profit corporation.

The Board of Directors has approved an operating budget for the 2026-27 academic year. The original budget is based on 918 students with revenues budgeted for \$10,932,352 and expenditures budgeted for \$10,892,120. The budget demonstrates that Rowlett Academy will have a budgeted increase in total fund balance of \$40,232.

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
JUNE 30, 2026

|                                                                 | <b>GOVERNMENTAL<br/>ACTIVITIES</b> |
|-----------------------------------------------------------------|------------------------------------|
| <b>ASSETS</b>                                                   |                                    |
| Current assets                                                  |                                    |
| Cash                                                            | \$ 2,789,459                       |
| Accounts and grants receivable                                  | 169,876                            |
| Receivable from Rowlett Middle Academy                          | 953,615                            |
| Prepaid expenses                                                | 62,709                             |
| Total current assets                                            | <u>3,975,659</u>                   |
| Noncurrent assets                                               |                                    |
| Deposits                                                        | 22,930                             |
| Capital assets, net of accumulated depreciation or amortization | 3,268,024                          |
| Total noncurrent assets                                         | <u>3,290,954</u>                   |
| <b>TOTAL ASSETS</b>                                             | <u><u>\$ 7,266,613</u></u>         |
| <b>DEFERRED OUTFLOWS OF RESOURCES – Pension</b>                 | <u><u>\$ 1,407,075</u></u>         |
| <b>LIABILITIES</b>                                              |                                    |
| Current liabilities                                             |                                    |
| Accounts payable                                                | \$ 268,356                         |
| Payable to Custodial Funds                                      | 1,887                              |
| Accrued interest                                                | 464                                |
| Accrued expenses                                                | 819,664                            |
| Total current liabilities                                       | <u>1,090,371</u>                   |
| Noncurrent liabilities                                          |                                    |
| Due within one year                                             | 256,661                            |
| Due in more than one year                                       | 4,930,019                          |
| Total noncurrent liabilities                                    | <u>5,186,680</u>                   |
| <b>TOTAL LIABILITIES</b>                                        | <u><u>\$ 6,277,051</u></u>         |
| <b>DEFERRED INFLOWS OF RESOURCES – Pension</b>                  | <u><u>\$ 1,211,158</u></u>         |
| <b>NET POSITION</b>                                             |                                    |
| Net investment in capital assets                                | \$ 2,692,537                       |
| Restricted                                                      | 454,186                            |
| Unrestricted (deficit)                                          | (1,961,244)                        |
| <b>TOTAL NET POSITION</b>                                       | <u><u>\$ 1,185,479</u></u>         |

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

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2026**

|                                                              | Expenses          | Program Revenues        |                                          |                                        | Net (Expense)<br>Revenue and<br>Change In<br>Net Position<br>Total |
|--------------------------------------------------------------|-------------------|-------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------------------------|
|                                                              |                   | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |                                                                    |
| Governmental Activities:                                     |                   |                         |                                          |                                        |                                                                    |
| Instruction                                                  | \$ 6,245,426      | \$ -                    | \$ -                                     | \$ -                                   | \$ (6,245,426)                                                     |
| Pupil personnel services                                     | 491,451           | -                       | -                                        | -                                      | (491,451)                                                          |
| Instructional media services                                 | 268,724           | -                       | -                                        | -                                      | (268,724)                                                          |
| Instructional staff training                                 | 258,883           | -                       | -                                        | -                                      | (258,883)                                                          |
| General administration                                       | 116,728           | -                       | -                                        | -                                      | (116,728)                                                          |
| School administration                                        | 404,496           | -                       | -                                        | -                                      | (404,496)                                                          |
| Professional services                                        | 283,645           | -                       | -                                        | -                                      | (283,645)                                                          |
| Food services                                                | 572,264           | 605,122                 | -                                        | -                                      | 32,858                                                             |
| Central services                                             | 61,906            | -                       | -                                        | -                                      | (61,906)                                                           |
| Pupil transportation services                                | 499,552           | 195,170                 | -                                        | -                                      | (304,382)                                                          |
| Operation of plant                                           | 778,193           | -                       | -                                        | -                                      | (778,193)                                                          |
| Community services                                           | 208,582           | 442,376                 | -                                        | -                                      | 233,794                                                            |
| Maintenance of plant                                         | 23,186            | -                       | -                                        | -                                      | (23,186)                                                           |
| Total Governmental Activities                                | <u>10,213,036</u> | <u>1,242,668</u>        | <u>-</u>                                 | <u>-</u>                               | <u>(8,970,368)</u>                                                 |
| General Revenues:                                            |                   |                         |                                          |                                        |                                                                    |
| Grants and contributions not restricted to specific programs |                   |                         |                                          |                                        | 9,501,344                                                          |
| Transfers to Rowlett Academy Custodial Funds                 |                   |                         |                                          |                                        | (3,962)                                                            |
| Total General Revenues                                       |                   |                         |                                          |                                        | <u>9,497,382</u>                                                   |
| Change in net position                                       |                   |                         |                                          |                                        | 527,014                                                            |
| Net Position – Beginning of year                             |                   |                         |                                          |                                        | <u>658,465</u>                                                     |
| Net Position – End of year                                   |                   |                         |                                          |                                        | <u><u>\$ 1,185,479</u></u>                                         |

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

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2026

|                                                | General<br>Fund     | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | Total               |
|------------------------------------------------|---------------------|----------------------------|-----------------------------|-------------------------|---------------------|
| <b>ASSETS</b>                                  |                     |                            |                             |                         |                     |
| Cash                                           | \$ 2,335,273        | \$ 454,186                 | \$ –                        | \$ –                    | \$ 2,789,459        |
| Accounts and grants receivable                 | 169,876             | –                          | –                           | –                       | 169,876             |
| Receivable from Rowlett Middle Academy         | 953,615             | –                          | –                           | –                       | 953,615             |
| Prepaid expenses                               | 62,709              | –                          | –                           | –                       | 62,709              |
| Deposits                                       | 22,930              | –                          | –                           | –                       | 22,930              |
| <b>TOTAL ASSETS</b>                            | <b>\$ 3,544,403</b> | <b>\$ 454,186</b>          | <b>\$ –</b>                 | <b>\$ –</b>             | <b>\$ 3,998,589</b> |
| <b>LIABILITIES AND FUND BALANCES</b>           |                     |                            |                             |                         |                     |
| Liabilities:                                   |                     |                            |                             |                         |                     |
| Accounts payable                               | \$ 268,356          | \$ –                       | \$ –                        | \$ –                    | \$ 268,356          |
| Payable to Custodial Funds                     | 1,887               | –                          | –                           | –                       | 1,887               |
| Accrued expenses                               | 819,664             | –                          | –                           | –                       | 819,664             |
| <b>TOTAL LIABILITIES</b>                       | <b>1,089,907</b>    | <b>–</b>                   | <b>–</b>                    | <b>–</b>                | <b>1,089,907</b>    |
| Fund Balances:                                 |                     |                            |                             |                         |                     |
| Non-spendable                                  | 85,639              | –                          | –                           | –                       | 85,639              |
| Restricted                                     | –                   | 454,186                    | –                           | –                       | 454,186             |
| Unassigned                                     | 2,368,857           | –                          | –                           | –                       | 2,368,857           |
| <b>TOTAL FUND BALANCES</b>                     | <b>2,454,496</b>    | <b>454,186</b>             | <b>–</b>                    | <b>–</b>                | <b>2,908,682</b>    |
| <b>TOTAL LIABILITIES AND FUND<br/>BALANCES</b> | <b>\$ 3,544,403</b> | <b>\$ 454,186</b>          | <b>\$ –</b>                 | <b>\$ –</b>             | <b>\$ 3,998,589</b> |

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

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2026**

---

|                                                                                                                                                             |                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Fund Balances – Governmental Funds                                                                                                                          | \$ 2,908,682               |
| Amounts reported for governmental activities in the statement of net position are different because:                                                        |                            |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds                       | 3,268,024                  |
| Deferred outflows of resources related to pension are not recognized in the governmental funds; however, they are reported in the statement of net position | 1,407,075                  |
| Deferred inflows of resources related to pension are not recognized in the governmental funds; however, they are reported in the statement of net position  | (1,211,158)                |
| Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds                             |                            |
| Accrued interest                                                                                                                                            | (464)                      |
| Note payable                                                                                                                                                | (514,170)                  |
| Net pension liability                                                                                                                                       | (4,337,666)                |
| Lease liability                                                                                                                                             | (45,354)                   |
| Subscription liability                                                                                                                                      | (15,963)                   |
| Compensated absences                                                                                                                                        | (273,527)                  |
| <b>NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES</b>                                                                                                    | <b><u>\$ 1,185,479</u></b> |

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

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2026

|                                                         | General<br>Fund     | Special<br>Revenue<br>Fund | Capital<br>Projects<br>Fund | Debt<br>Service<br>Fund | Total               |
|---------------------------------------------------------|---------------------|----------------------------|-----------------------------|-------------------------|---------------------|
| <b>REVENUES</b>                                         |                     |                            |                             |                         |                     |
| Federal through local                                   | \$ 90,153           | \$ 415,182                 | \$ -                        | \$ -                    | \$ 505,335          |
| State through local                                     | 8,015,386           | -                          | -                           | -                       | 8,015,386           |
| Local                                                   | 2,033,351           | 189,940                    | -                           | -                       | 2,223,291           |
| Total Revenues                                          | 10,138,890          | 605,122                    | -                           | -                       | 10,744,012          |
| <b>EXPENDITURES</b>                                     |                     |                            |                             |                         |                     |
| Current                                                 |                     |                            |                             |                         |                     |
| Instruction                                             | 6,431,924           | -                          | -                           | -                       | 6,431,924           |
| Pupil personnel services                                | 534,184             | -                          | -                           | -                       | 534,184             |
| Instructional staff training                            | 288,540             | -                          | -                           | -                       | 288,540             |
| Instructional media services                            | 273,499             | -                          | -                           | -                       | 273,499             |
| General administration                                  | 124,942             | -                          | -                           | -                       | 124,942             |
| School administration                                   | 365,850             | -                          | -                           | -                       | 365,850             |
| Professional services                                   | 299,712             | -                          | -                           | -                       | 299,712             |
| Food services                                           | -                   | 575,569                    | -                           | -                       | 575,569             |
| Central services                                        | 73,992              | -                          | -                           | -                       | 73,992              |
| Pupil transportation services                           | 406,033             | -                          | -                           | -                       | 406,033             |
| Operation of plant                                      | 784,930             | -                          | -                           | -                       | 784,930             |
| Community services                                      | 225,202             | -                          | -                           | -                       | 225,202             |
| Maintenance of plant                                    | 23,186              | -                          | -                           | -                       | 23,186              |
| Capital outlay                                          | -                   | -                          | 165,828                     | -                       | 165,828             |
| Debt service                                            |                     |                            |                             |                         |                     |
| Principal payments                                      | -                   | -                          | -                           | 172,969                 | 172,969             |
| Interest and fiscal charges                             | -                   | -                          | -                           | 27,082                  | 27,082              |
| Total Expenditures                                      | 9,831,994           | 575,569                    | 165,828                     | 200,051                 | 10,773,442          |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 306,896             | 29,553                     | (165,828)                   | (200,051)               | (29,430)            |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                     |                            |                             |                         |                     |
| Subscription asset                                      | -                   | -                          | 15,963                      | -                       | 15,963              |
| Transfers to Academy custodial funds                    | (3,962)             | -                          | -                           | -                       | (3,962)             |
| Transfers in (out)                                      | (349,916)           | -                          | 149,865                     | 200,051                 | -                   |
| Total Other Financing Sources (Uses)                    | (353,878)           | -                          | 165,828                     | 200,051                 | 12,001              |
| <b>NET CHANGE IN FUND BALANCES</b>                      | (46,982)            | 29,553                     | -                           | -                       | (17,429)            |
| <b>FUND BALANCES – Beginning of year</b>                | 2,501,478           | 424,633                    | -                           | -                       | 2,926,111           |
| <b>FUND BALANCES – End of year</b>                      | <b>\$ 2,454,496</b> | <b>\$ 454,186</b>          | <b>\$ -</b>                 | <b>\$ -</b>             | <b>\$ 2,908,682</b> |

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

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2026

---

|                                                                                                                        |    |          |
|------------------------------------------------------------------------------------------------------------------------|----|----------|
| Net change in fund balances – statement of revenues,<br>expenditures and changes in fund balances – Governmental Funds | \$ | (17,429) |
|------------------------------------------------------------------------------------------------------------------------|----|----------|

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

Governmental funds report capital outlay as expenditures. However,  
in the statement of activities, the cost of those assets is allocated  
over their estimated useful lives and reported as depreciation  
expense.

|                                           |                 |           |
|-------------------------------------------|-----------------|-----------|
| Capital outlay as capital asset additions | 165,828         |           |
| Less depreciation                         | (402,937)       |           |
| Less amortization                         | <u>(50,244)</u> |           |
|                                           |                 | (287,353) |

The issuance of long-term debt provides current financial resources  
to governmental funds, while the repayment of the principal  
consumes the financial resources of governmental funds. Neither  
transaction, however, has any effect on net position.

|                                       |  |          |
|---------------------------------------|--|----------|
| Subscription liability addition       |  | (15,963) |
| Principal payments on note payable    |  | 158,041  |
| Principal payments on lease liability |  | 14,928   |

Some expenses 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.

|                                         |  |           |
|-----------------------------------------|--|-----------|
| Decrease in deferred outflows – pension |  | (278,262) |
| Increase in interest payable            |  | (146)     |
| Decrease in net pension liability       |  | 1,050,778 |
| Increase in deferred inflows – pension  |  | (373,364) |
| Decrease in compensated absences        |  | 275,784   |

|                                                          |           |                       |
|----------------------------------------------------------|-----------|-----------------------|
| <b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b> | <b>\$</b> | <b><u>527,014</u></b> |
|----------------------------------------------------------|-----------|-----------------------|

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

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND  
JUNE 30, 2026

|                                                 | <u>Custodial<br/>Funds</u> |
|-------------------------------------------------|----------------------------|
| <b>ASSETS</b>                                   |                            |
| Cash                                            | \$ 725,284                 |
| Accounts receivable                             | 1,379                      |
| Due from Rowlett Academy                        | 1,887                      |
| Due from Rowlett Middle Academy Custodial Funds | 3,841                      |
| Prepaid expenses                                | <u>7,089</u>               |
| TOTAL ASSETS                                    | <u><b>\$ 739,480</b></u>   |
| <b>LIABILITIES</b>                              |                            |
| Accounts payable                                | \$ 1,232                   |
| Due to Rowlett Middle Academy                   | <u>38,691</u>              |
| TOTAL LIABILITIES                               | 39,923                     |
| <b>NET POSITION</b>                             |                            |
| Restricted for clubs                            | <u>699,557</u>             |
| TOTAL LIABILITIES AND NET POSITION              | <u><b>\$ 739,480</b></u>   |

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

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND  
FOR THE YEAR ENDED JUNE 30, 2026

|                                                                    | <u>Custodial<br/>Funds</u> |
|--------------------------------------------------------------------|----------------------------|
| <b>ADDITIONS</b>                                                   |                            |
| Contributions                                                      | \$ 515,094                 |
| TOTAL ADDITIONS                                                    | <u>515,094</u>             |
| <b>DEDUCTIONS</b>                                                  |                            |
| Beneficiary payments to clubs                                      | <u>310,651</u>             |
| TOTAL DEDUCTIONS                                                   | <u>310,651</u>             |
| Net increase (decrease) in fiduciary net position before transfers | 204,443                    |
| <b>TRANSFERS</b>                                                   |                            |
| Transfers from Rowlett Middle Academy                              | 4,366                      |
| Transfers from Rowlett Academy                                     | 3,962                      |
| Transfers to Rowlett Middle Academy Custodial Funds                | <u>(107,035)</u>           |
| TOTAL TRANSFERS                                                    | <u>(98,707)</u>            |
| Net increase (decrease) in fiduciary net position                  | 105,736                    |
| Net position – beginning of year                                   | <u>593,821</u>             |
| Net position – end of year                                         | <u><u>\$ 699,557</u></u>   |

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

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Rowlett Academy, a charter school under William Monroe Rowlett Academy for Arts & Communication, Inc., operates an elementary school in Bradenton, Florida and is a component unit of the School District of Manatee County, Florida (the “School District”). William Monroe Rowlett Academy for Arts & Communication, Inc. holds the charter for Rowlett Academy and is a not-for-profit organized pursuant to the Florida Not-for-Profit Corporation Act, Chapter 617, Florida Statutes, with a governing Board of Directors composed of five members.

The basic financial statements of Rowlett Academy present only the balances, activity and disclosures related to Rowlett Academy. They do not purport to, and do not present the financial position of William Monroe Rowlett Academy for Arts & Communication, 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.

Rowlett Academy opened as an elementary school in the 2001–2002 school year as the first full-choice magnet school in Manatee County. During 2014, the School District approved it as a charter school which operates independently from the School District.

The general operating authority of Rowlett Academy is contained in Chapter 1002.33, Florida Statutes. Rowlett Academy operates under a charter of the sponsoring School District, the School District of Manatee County, Florida, which is effective through June 30, 2039. Rowlett Academy is considered a component unit of the School District. Upon dissolution or termination of the charter, all of the property, furnishings and equipment purchased with public funds, in part or in whole, automatically revert to the School District.

**Basis of Presentation**

The financial statements of Rowlett Academy have been prepared in accordance 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. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments, including Rowlett Academy.

**Government-wide and Fund Financial Statements**

Rowlett Academy’s financial statements include both government-wide (reporting on Rowlett Academy as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of Rowlett Academy. The government-wide financial statements present governmental activities only. Rowlett Academy has no business-type activities. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

In the government-wide statement of net position, Rowlett Academy recognizes all long-term assets and receivables as well as long-term liabilities and obligations. Rowlett Academy’s net position is reported in three parts (as applicable): (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position.

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Government-wide and Fund Financial Statements – Continued

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function (or segment) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The individual generic fund type in Rowlett Academy's financial statements are governmental funds. The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. Each governmental fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures. Rowlett Academy reports the following governmental funds in which have been elected to be reported as major funds:

The General Fund is the general operating fund of Rowlett Academy and is used to account for all of its non-fiduciary financial resources and any activity not related to the other governmental funds.

The Special Revenue Fund accounts for activities of the food service program that serves breakfast and lunches to students.

The Capital Projects Fund is used to account for all capital activity.

The Debt Service Fund is used to account for all proceeds and payments, including interest, related to capital leases and long-term debt.

Additionally, Rowlett Academy reports Custodial Funds which are a fiduciary fund type. The Custodial funds are used to account for resources of Rowlett Academy's internal account funds which are used in connection with school, student, class, and club activities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Custodial funds are also reported using the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available, if they are collected within 60 days of the end of the current period. When grant terms provide that the expenditure of resources is the determining factor for eligibility for federal, state and other grant resources, revenue is recognized at the time the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Measurement Focus, Basis of Accounting and Financial Statement Presentation – Continued

Revenues for current operations received from the School District, pursuant to funding provisions included in Rowlett Academy's charter are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by Rowlett Academy.

Cash

Rowlett Academy's cash consists of deposits with financial institutions that are insured by the Federal Depository Insurance Corporation (FDIC) up to \$250,000. At June 30, 2026 the carrying amount of Rowlett Academy's deposits was \$2,789,459 and the bank balances were \$2,801,137. Additionally, at June 30, 2026, the carrying amount of the Custodial Funds' deposits were \$725,284 and the bank balances were \$725,507. At June 30, 2026, Rowlett Academy and the Custodial Funds had deposits in excess of FDIC limits of \$2,551,137 and \$379,068, respectively.

Capital Assets

Capital assets are reported in the governmental activities column in the government-wide financial statements and are not reported in the fund financial statements. Capital assets are defined by Rowlett Academy as any asset with an initial cost of more than \$750 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. All capital assets are depreciated using the straight-line method over their estimated useful lives. Useful lives vary from 7 to 20 years for leasehold improvements and 3 to 7 years for furniture, fixtures and equipment.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This 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. One item qualifies for reporting in this category which is a deferred outflow of pension resources which will be recognized as either pension expense or a reduction of net pension liability in future reporting years. In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. One item qualifies for reporting in this category which is a deferred inflow of pension earnings which will be recognized as a reduction to pension expense in future reporting years.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

*Fund Balance:* Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which Rowlett Academy is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Fund Equity – Continued

Fund balances are classified as follows:

- *Non-spendable*: Fund balances are reported as non-spendable when amounts cannot be spent because they are either: (1) not in spendable form (i.e., items that are not expected to be converted to cash) or (2) legally or contractually required to be maintained intact. Non-spendable fund balance at June 30, 2026 included prepaid items of \$62,709 and deposits of \$22,930, which totals \$85,639.
- *Restricted*: Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Fund balance as of June 30, 2026 was restricted for food services in the amount of \$454,186.
- *Committed*: Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraint imposed by formal action of the Board of Directors. Only the Board of Directors may modify or rescind the commitment.
- *Assigned*: Fund balances are reported as assigned when amounts are constrained by Rowlett Academy's intent to be used for specific purposes, but are neither restricted nor committed. Currently there is no one employee authorized to assign fund balances. As a result, only the Board of Directors are authorized to make assignments.
- *Unassigned*: Fund balances are reported as unassigned as the residual amount when balances do not meet any of the above criterion. Rowlett Academy reports unassigned fund balance as of June 30, 2026 in the amount of \$2,368,857.

*Net Position*: Net position represents the difference between assets plus deferred outflows less deferred inflows and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations. Net position not reported as net investment in capital assets and restricted net position, is reported as unrestricted net position.

*Flow Assumptions*: When both restricted and unrestricted amounts of fund balance/net position are available for use for expenditures/expenses incurred, it is Rowlett Academy's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is Rowlett Academy's policy to first use committed, assigned and then unassigned.

Budgetary Information

An annual budget was adopted for Rowlett Academy on the modified accrual basis of accounting which is used to account for the activity in the General Fund and Special Revenue Fund. Appropriations are controlled at the fund level and all annual appropriations lapse at fiscal year end.

Revenue Sources

Revenues for current operations are received primarily from the School District, pursuant to the funding provisions included in Rowlett Academy's charter. In accordance with the funding provisions of the charter and Chapter 1002.33(17), Florida Statutes, Rowlett Academy reports the number of full-time equivalent (FTE) students and related data to the School District. Under the provisions of Chapter 1011.62, Florida Statutes, the School District reports the number of full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program.

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Revenue Sources – Continued

Funding for Rowlett Academy is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by Rowlett Academy during the designated full-time equivalent student survey periods.

Rowlett Academy receives Federal, State and local awards for the enhancement of various educational programs. Awards are generally received based on applications submitted to and approved by the respective granting agencies. Rowlett Academy also receives donations and charges for services related to food services and after-care.

Pensions

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) (which includes FRS and HIS) and additions to/deletions from FRS's fiduciary net position have been determined on the same basis as they are reported by FRS. Investments in the cost-sharing multi-employer plan are reported at fair value (see Note 7).

Estimates

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

Adoption of New Accounting Standards

Effective July 1, 2025, Rowlett Academy adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements* (GASB No. 103) and GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB No. 104). The adoption of GASB No. 103 required updates to the Management's Discussion and Analysis to include specific topics and also detailed analyses explaining why balances and results of operations changed. It also required an explanation of significant variances between budget and actual amounts to be presented in the notes to the required supplementary information. The adoption of GASB No. 103 had no effect on net position or fund balance as initially reported. The adoption of GASB No. 104 had no impact on the Charter School's financial statements.

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – CAPITAL ASSETS**

Capital asset activity for fiscal year ended June 30, 2026, was as follows:

|                                                           | Beginning<br>Balance | Increases           | Decreases       | Transfers   | Ending<br>Balance   |
|-----------------------------------------------------------|----------------------|---------------------|-----------------|-------------|---------------------|
| Governmental Activities:                                  |                      |                     |                 |             |                     |
| Capital assets, not being depreciated or amortized:       |                      |                     |                 |             |                     |
| Land                                                      | \$ 874,152           | \$ –                | \$ –            | \$ –        | \$ 874,152          |
|                                                           | <u>874,152</u>       | <u>–</u>            | <u>–</u>        | <u>–</u>    | <u>874,152</u>      |
| Capital assets being depreciated or amortized:            |                      |                     |                 |             |                     |
| Capital assets                                            |                      |                     |                 |             |                     |
| Leasehold improvements                                    | 888,499              | –                   | –               | –           | 888,499             |
| Furniture, fixtures and equipment                         | 1,806,794            | 141,486             | –               | –           | 1,948,280           |
| Vehicles                                                  | 1,085,549            | –                   | –               | –           | 1,085,549           |
| Right-to-use assets                                       |                      |                     |                 |             |                     |
| Buses                                                     | 36,925               | –                   | (36,925)        | –           | –                   |
| Tower compactor                                           | 15,566               | –                   | –               | –           | 15,566              |
| Copier                                                    | 57,321               | –                   | –               | –           | 57,321              |
| Subscription assets                                       |                      |                     |                 |             |                     |
| Accounting software                                       | –                    | 24,342              | –               | –           | 24,342              |
| Instruction software                                      | 230,033              | –                   | –               | –           | 230,033             |
| Total capital assets, being depreciated or amortized      | <u>4,120,687</u>     | <u>165,828</u>      | <u>(36,925)</u> | <u>–</u>    | <u>4,249,590</u>    |
| Less accumulated depreciation or amortization for:        |                      |                     |                 |             |                     |
| Capital assets                                            |                      |                     |                 |             |                     |
| Leasehold improvements                                    | 93,089               | 54,464              | –               | –           | 147,553             |
| Furniture, fixtures and equipment                         | 814,125              | 240,233             | –               | –           | 1,054,358           |
| Vehicles                                                  | 314,797              | 108,240             | –               | –           | 423,037             |
| Right-to-use assets                                       |                      |                     |                 |             |                     |
| Buses                                                     | 36,925               | –                   | (36,925)        | –           | –                   |
| Tower compactor                                           | 9,339                | 3,113               | –               | –           | 12,452              |
| Copier                                                    | 5,723                | 11,466              | –               | –           | 17,189              |
| Subscription assets                                       |                      |                     |                 |             |                     |
| Accounting software                                       | –                    | 3,381               | –               | –           | 3,381               |
| Instruction software                                      | 165,464              | 32,284              | –               | –           | 197,748             |
| Total accumulated depreciation or amortization            | <u>1,439,462</u>     | <u>453,181</u>      | <u>(36,925)</u> | <u>–</u>    | <u>1,855,718</u>    |
| Total capital assets, being depreciated or amortized, net | <u>2,681,225</u>     | <u>(287,353)</u>    | <u>–</u>        | <u>–</u>    | <u>2,393,872</u>    |
| Governmental activities capital assets, net               | <u>\$ 3,555,377</u>  | <u>\$ (287,353)</u> | <u>\$ –</u>     | <u>\$ –</u> | <u>\$ 3,268,024</u> |

Depreciation and amortization expense for the year ended June 30, 2026, was allocated to the following governmental functions:

|                               | Depreciation      | Amortization     | Total             |
|-------------------------------|-------------------|------------------|-------------------|
| Instruction                   | \$ 217,506        | \$ 32,284        | \$ 249,790        |
| School administration         | 50,851            | 14,847           | 65,698            |
| Food services                 | 14,151            | –                | 14,151            |
| Pupil transportation services | 108,240           | –                | 108,240           |
| Operation of plant            | 12,189            | 3,113            | 15,302            |
|                               | <u>\$ 402,937</u> | <u>\$ 50,244</u> | <u>\$ 453,181</u> |

The building, improvements, furniture, fixtures, and equipment in place prior to July 1, 2014 belong to the School District and are provided to Rowlett Academy to use free of charge.

**NOTE 3 – LONG-TERM LIABILITIES**

**Note Payable**

During 2022, William Monroe Rowlett Academy for Arts & Communication, Inc. entered into an agreement with a financial institution for the purchase of ten buses which were purchased during 2023 in the amount of \$1,075,000. The note bears an interest rate of 3.82%. Rowlett Academy was required to make interest only payments through October 27, 2022, which is when equal monthly installments of principal and interest of \$15,104 were required, with the final payment due on June 27, 2029.

The note is secured by the buses with a net book value of \$659,338 as June 30, 2026. Interest expense of \$23,207 is included in pupil transportation services in the statement of activities.

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

**NOTE 3 – LONG-TERM LIABILITIES – CONTINUED**

Future maturities on the mortgage are as follows:

| Year Ending<br>June 30, | Principal         | Interest         | Total             |
|-------------------------|-------------------|------------------|-------------------|
| 2027                    | \$ 164,599        | \$ 16,649        | \$ 181,248        |
| 2028                    | 170,998           | 10,250           | 181,248           |
| 2029                    | 178,573           | 3,602            | 182,175           |
|                         | <u>\$ 514,170</u> | <u>\$ 30,501</u> | <u>\$ 544,671</u> |

Upon default, including failure to pay upon final maturity, the interest rate on this note shall be increased to 18.00% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**Compensated absences**

Rowlett Academy allows retiring employees to be paid their unused balance of PTO from 0% to 100%, depending on length of service. Additionally, twelve-month employees can be paid up to 480 hours of unused vacation time upon retirement.

**Other Long-Term Liabilities**

The lease liability is described in Note 4 and the net pension liability is described in Note 7.

Long-term liability activity during the year is as follows:

|                        | Beginning<br>Balance | Additions           | Reductions            | Ending<br>Balance   | Due Within<br>One Year |
|------------------------|----------------------|---------------------|-----------------------|---------------------|------------------------|
| Note payable           | \$ 672,211           | \$ –                | \$ (158,041)          | \$ 514,170          | \$ 164,599             |
| Compensated absences   | 549,311              | –                   | (275,784) *           | 273,527             | 70,000                 |
| Lease liability        | 60,282               | –                   | (14,928)              | 45,354              | 14,210                 |
| Subscription liability | –                    | 15,963              | –                     | 15,963              | 7,852                  |
| Net pension liability  | 5,388,444            | 1,791,865           | (2,842,643)           | 4,337,666           | –                      |
|                        | <u>\$ 6,670,248</u>  | <u>\$ 1,807,828</u> | <u>\$ (3,291,396)</u> | <u>\$ 5,186,680</u> | <u>\$ 256,661</u>      |

\* The change in compensated absences is presented as a net change.

**NOTE 4 – LEASES**

During 2023, Rowlett Academy entered into an operating lease agreement for a tower compactor. The operating lease requires monthly payments of \$279. The interest is based on Rowlett Academy's incremental borrowing rate of 3.25%. The lease term ends in June, 2027.

During 2025, Rowlett Academy entered into an operating lease agreement for office copiers. The operating lease required monthly payments of \$1,141. The interest was based on Rowlett Academy's incremental borrowing rate of 7.50%. The lease term ends in December, 2029.

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

---

**NOTE 4 – LEASES – CONTINUED**

The lease expense for the year ended June 30, 2026 was as follows:

|                                                      |                  |
|------------------------------------------------------|------------------|
| Lease expense                                        |                  |
| Amortization expense by class<br>of underlying asset |                  |
| Tower compactor                                      | \$ 3,113         |
| Copier                                               | 11,466           |
| Total amortization expense                           | 14,579           |
| Interest on lease liabilities                        | 3,656            |
| Total lease expense                                  | <u>\$ 18,235</u> |

Future minimum lease payments for leases are as follows:

| <u>Year Ending<br/>June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total<br/>Payments</u> |
|--------------------------------|------------------|-----------------|---------------------------|
| 2027                           | \$ 14,210        | \$ 2,838        | \$ 17,048                 |
| 2028                           | 11,763           | 1,937           | 13,700                    |
| 2029                           | 12,677           | 1,024           | 13,701                    |
| 2030                           | 6,704            | 147             | 6,851                     |
|                                | <u>\$ 45,354</u> | <u>\$ 5,946</u> | <u>\$ 51,300</u>          |

**NOTE 5 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

Effective July 1, 2023, Rowlett Academy entered into a subscription-based information technology agreement for instruction software in the amount of \$161,423. The subscription agreement required an initial payment of \$110,458, with the remaining amount due during the 2024 fiscal year. The interest was based on Rowlett Academy's incremental borrowing rate of 3.25% and the liability was paid in full during 2024.

During 2026, Rowlett entered into a three-year subscription-based information technology agreement for accounting software in the amount of \$24,342. An annual payment of \$8,379 is due under the agreement. The interest rate was based on Rowlett Academy's incremental borrowing rate of 3.25% and the liability matures in fiscal year 2028.

The subscription expense for the year ended June 30, 2026 was as follows:

|                                                      |                  |
|------------------------------------------------------|------------------|
| Subscription expense                                 |                  |
| Amortization expense by class<br>of underlying asset |                  |
| Accounting software                                  | \$ 3,381         |
| Instruction software                                 | 32,284           |
| Total amortization expense                           | 35,665           |
| Interest on subscription liabilities                 | 217              |
| Total subscription expense                           | <u>\$ 35,882</u> |

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

---

**NOTE 5 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS – CONTINUED**

Future minimum payments for subscriptions are as follows:

| Year Ending<br>June 30 | Principal        | Interest      | Total<br>Payments |
|------------------------|------------------|---------------|-------------------|
| 2027                   | \$ 7,852         | \$ 527        | \$ 8,379          |
| 2028                   | 8,111            | 268           | 8,379             |
|                        | <u>\$ 15,963</u> | <u>\$ 795</u> | <u>\$ 16,758</u>  |

**NOTE 6 – SCHEDULE OF REVENUE SOURCES**

The following is a schedule of revenue sources and amounts:

|                               |                      |
|-------------------------------|----------------------|
| Federal through local         |                      |
| IDEA, Part B, Entitlement     | \$ 44,749            |
| Title II                      | 7,772                |
| Title IV                      | 22,366               |
| Food services                 | 415,182              |
| Other                         | 15,266               |
|                               | <u>505,335</u>       |
| State through local           |                      |
| Base funding of enrollment    | 5,324,906            |
| ESOL                          | 430,764              |
| Exceptional student education | 292,753              |
| Safe Schools                  | 93,647               |
| Class size adjustment         | 919,700              |
| Transportation                | 187,963              |
| Teacher Starting Pay Increase | 377,804              |
| Mental Health                 | 58,216               |
| Sales Tax Block grant         | 104,711              |
| Education Enrichment Share    | 222,855              |
| Other                         | 2,067                |
|                               | <u>8,015,386</u>     |
| Local                         |                      |
| After school care             | 442,376              |
| Bus fees                      | 216,670              |
| Food services                 | 189,940              |
| REACH grant                   | 27,439               |
| Referendum Millage            | 1,248,418            |
| E-Rate                        | 4,006                |
| Interest on investments       | 35,656               |
| Other                         | 58,786               |
|                               | <u>2,223,291</u>     |
| Total Revenues                | <u>\$ 10,744,012</u> |

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

---

**NOTE 7 – RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM**

Plan Description

All part-time and full-time permanent employees of Rowlett Academy are provided with pensions through the Florida Retirement System (FRS) which is administered by the Florida Department of Management Services, Division of Retirement. The State of Florida issues a publicly available annual comprehensive financial report that can be obtained at:

<https://www.myfloridacfo.com/transparency/state-financial-reports/FL-ACFR>

Under this system, there are two defined benefit pension plans: The Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program:

- The Florida Retirement System (FRS) Pension Plan is a cost sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes.
- The Retiree Health Insurance Subsidy Program (HIS) is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes.

Benefits Provided

The FRS provides retirees a lifetime pension benefit with joint and survivor payment options. Benefits under the FRS 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.

Plan Provisions

**If first employed prior to July 1, 2011:** Normal retirement age for “regular” employees is 62 or 30 years of service and vesting occurs after 6 years of creditable service. The average final compensation is the average of the five highest fiscal years’ earnings.

**If first employed on or after July 1, 2011:** Normal retirement age for “regular” employees is 65 or 33 years of service and vesting occurs after 8 years of creditable service. The average final compensation is the average of the eight 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 the retirement plan and/or class to which the member belonged when the service credit was earned.

Under the HIS Plan, the benefit is a monthly payment to assist retirees in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree must provide proof of eligible health insurance coverage, which can include Medicare.

Contributions Required and Made

Per Chapter 121, Florida Statutes, contribution requirements of the active employees and the participating employers are established and may be amended by the Florida Department of Management Services, Division of Retirement. Effective July 1, 2011, both employees and employers of the FRS are required to make contributions to establish service credit for work performed in a regularly established position.

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

**NOTE 7 – RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM – CONTINUED**

Contributions Required and Made – Continued

The Florida Legislature established a uniform contribution rate system for the FRS. The uniform rates are based on the class an employee is placed into, which require employees to contribute 3% and employers to contribute based on class.

Rowlett Academy's contractually required contribution rate for the year ended June 30, 2026 was 14.03% for regular employees and 22.02% for employees in the DROP program of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions to the pension plan from Rowlett Academy were \$532,765 for the year ended June 30, 2026, which equaled required contributions and approximates 14.64% of covered payroll.

The HIS Program is funded by required contributions of 2.00% and is included in the contribution rates noted above.

As of June 30, 2026, Rowlett Academy had employee and employer contributions totaling \$45,475 due to the FRS Plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At June 30, 2026, Rowlett Academy reported a liability of \$4,337,666 for its proportionate share of the net pension liability which includes both FRS and HIS. 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 for FRS and July 1, 2024 for HIS. Rowlett Academy's proportion of the net pension liability was based on a long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2025, Rowlett Academy's proportion was 0.008408927% for FRS and 0.013481195% for HIS which was consistent with its proportion measured in the previous year.

Pertaining to the June 30, 2025 measurement, Rowlett Academy recognized pension expense of \$274,477. Additionally, Rowlett Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                              | FRS                                  |                                     | HIS                                  |                                     |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|                                                                                                              | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Difference between expected<br>and actual experience                                                         | \$ 278,746                           | \$ –                                | \$ 10,315                            | \$ 2,741                            |
| Changes in assumptions                                                                                       | 303,056                              | –                                   | 15,294                               | 417,945                             |
| Net difference between projected<br>and actual earnings on pension<br>plan investments                       | –                                    | 435,719                             | –                                    | 1,438                               |
| Change in proportion and<br>differences between contributions<br>and proportionate share of<br>contributions | 69,016                               | 239,295                             | 57,019                               | 114,020                             |
| Rowlett Academy contributions<br>subsequent to the June 30, 2025<br>measurement date                         | 549,062                              | –                                   | 124,567                              | –                                   |
|                                                                                                              | <u>\$ 1,199,880</u>                  | <u>\$ 675,014</u>                   | <u>\$ 207,195</u>                    | <u>\$ 536,144</u>                   |

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

**NOTE 7 – RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM – CONTINUED**

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

Total deferred outflows were \$1,407,075 and total deferred inflows were \$1,211,158. \$549,062 (FRS) and \$124,567 (HIS) reported as deferred outflows of resources related to pensions resulting from Rowlett Academy contributions subsequent to the measurement date which were recognized as a reduction of the net pension liability in the year ended 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:

| <u>Year ending June 30:</u> | <u>FRS</u>         | <u>HIS</u>          |
|-----------------------------|--------------------|---------------------|
| 2026                        | \$ 414             | \$ (78,233)         |
| 2027                        | 414                | (78,233)            |
| 2028                        | 414                | (78,233)            |
| 2029                        | 414                | (78,233)            |
| 2030                        | (25,852)           | (78,231)            |
| Thereafter                  | –                  | (62,353)            |
|                             | <u>\$ (24,196)</u> | <u>\$ (453,516)</u> |

Actuarial Assumptions

The total pension liability in the July 1, 2025 actuarial valuation for FRS and July 1, 2024 for HIS was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                                            |
|---------------------------|--------------------------------------------|
| Inflation                 | 2.40 percent                               |
| Salary increases          | 3.50 percent, including inflation          |
| Investment rate of return | 6.70 percent, including inflation at 2.40% |

Mortality assumptions for the FRS pension plan were based on the PUB-2010 base table, projected generationally with Scale MP-2021, and mortality assumptions for the HIS program were based on the Generational PUB-2010 with Projection Scale MP-2021.

The actuarial assumptions used in the July 1, 2025 valuation for FRS were based on the results of an actuarial experience study performed for the period July 1, 2018 – June 30, 2023. Because the HIS is funded on a pay-as-you-go basis, no experience study has been completed for that Plan, but the actuarial assumptions were based on certain results of the most recent experience study for the FRS Plan.

The long-term expected rate of return on pension plan investments consists of two building block components: 1) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2025 by the FRS Actuarial Assumption Conference; and 2) an inferred real (in excess of inflation) return of 4.20%. The table below shows the assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

**NOTE 7 – RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM – CONTINUED**

Actuarial Assumptions – Continued

| <u>Asset Class</u>    | <u>Target Allocation</u> | <u>Annual Arithmetic Return</u> |
|-----------------------|--------------------------|---------------------------------|
| Cash                  | 1.0%                     | 3.2%                            |
| Fixed income          | 29.0%                    | 5.5%                            |
| Global equity         | 45.0%                    | 8.5%                            |
| Real estate           | 12.0%                    | 8.4%                            |
| Private equity        | 11.0%                    | 12.4%                           |
| Strategic investments | 2.0%                     | 6.5%                            |

*Discount Rate*

The discount rate used to measure the total FRS pension liability was 6.70%. The HIS rate increased from 3.93% to 5.20% in the most recent actuarial study. The HIS rate is based on the Bond Buyer General Obligation 20–Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in Actuarial Assumptions*

The following changes in actuarial assumptions occurred in the 2025 valuation for HIS:

- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.
- The assumption changes were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2025 FRS Actuarial Assumption Conference during its October 2025 meeting.
- The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates. The previous rate was 3.93%.

Sensitivity of Rowlett Academy’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents Rowlett Academy’s proportionate share of the FRS net pension liability calculated using the discount rate of 6.70%, as well as what Rowlett Academy’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1–percentage–point lower (5.70%) or 1–percentage–point higher (7.70%) than the current rate:

|                                                                        | <u>1% Decrease</u> | <u>Discount Rate</u> | <u>1% Increase</u> |
|------------------------------------------------------------------------|--------------------|----------------------|--------------------|
| Rowlett Academy's proportionate share of the FRS net pension liability | \$5,121,538        | \$2,609,721          | \$ 503,851         |

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM – CONTINUED**

Sensitivity of Rowlett Academy's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – Continued

The following presents Rowlett Academy's proportionate share of the HIS net pension liability calculated using the discount rate of 5.20%, as well as what Rowlett Academy's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (4.20%) or 1-percent-point higher (6.20%) than the current rate:

|                                                                           | <u>1% Decrease</u> | <u>Discount Rate</u> | <u>1% Increase</u> |
|---------------------------------------------------------------------------|--------------------|----------------------|--------------------|
| Rowlett Academy's proportionate share<br>of the HIS net pension liability | \$ 1,948,536       | \$ 1,727,945         | \$ 1,542,939       |

Pension Plan Fiduciary Net Position

Rowlett Academy's proportion of net position has been determined on the same basis as each Plan. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of Florida annual comprehensive financial report.

Aggregate Information for Retirement Plans

|     | <u>Deferred<br/>Outflows</u> | <u>Net Pension<br/>Liability</u> | <u>Deferred<br/>Inflows</u> |
|-----|------------------------------|----------------------------------|-----------------------------|
| FRS | \$ 1,199,880                 | \$ 2,609,721                     | \$ 675,014                  |
| HIS | 207,195                      | 1,727,945                        | 536,144                     |
|     | <u>\$ 1,407,075</u>          | <u>\$ 4,337,666</u>              | <u>\$ 1,211,158</u>         |

**NOTE 8 – DEFINED CONTRIBUTION RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM**

In addition to Rowlett Academy's participation in the FRS defined benefit pension plan, some employees of Rowlett Academy have elected to participate in the FRS' alternative pension plan which is a defined contribution plan officially titled the Florida Retirement System Investment Plan (Investment Plan).

The Florida Legislature establishes and amends the contribution requirements and benefit terms of the plan. The Investment Plan is administered by the State Board of Administration, which is also the plan sponsor. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

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. 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 the 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.

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 8 – DEFINED CONTRIBUTION RETIREMENT PLAN – FLORIDA RETIREMENT SYSTEM – CONTINUED**

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 for total and permanent disability. 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, or remain in the Investment Plan and rely on that account balance for retirement income.

Similar to the defined benefit plan, employees are required to contribute 3% and employers are required to contribute based on class. Rowlett Academy's contractually required contribution rate for the year ended June 30, 2026 was 14.03% for regular employees and 22.02% for employees in the DROP program of annual payroll. Contributions are directed to the individual member accounts, and individual members allocate contributions and account balances among various approved investment choices.

During 2026, Rowlett Academy employer contributions totaled \$363,153. As of June 30, 2026, Rowlett Academy had employee and employer contributions totaling \$39,177 due to the Investment Plan.

**NOTE 9 – RELATED PARTY TRANSACTIONS**

William Monroe Rowlett Academy for Arts & Communication, Inc. operates Rowlett Academy. During the fiscal year ended June 30, 2017, a second charter school was approved by the School District for a middle school (Rowlett Middle Academy). As of June 30, 2026, Rowlett Middle Academy owed Rowlett Academy \$953,615.

As of June 2026, Rowlett Academy has a payable due to the Custodial Funds in the amount of \$1,887.

As of June 30, 2026, the Custodial Funds owed Rowlett Middle Academy \$38,691 and had receivables from Rowlett Academy and Rowlett Middle Academy Custodial Funds of \$1,887 \$3,841, respectively. The Custodial Funds also received transfers from Rowlett Middle Academy and Rowlett Academy during the year of \$4,366 and \$3,962, respectively. The Custodial Funds also transferred \$107,035 to the Rowlett Middle Academy Custodial Funds during the year.

**NOTE 10 – CONTINGENCIES**

When Rowlett Academy separated with the School District effective July 1, 2014, teachers and other employees of the School District that transferred to Rowlett Academy were provided the option of remaining a Rowlett Academy employee or returning to the School District after two years. For employees that remain with Rowlett Academy, Rowlett Academy initially agreed to take over compensated absences earned at the School District at the time of separation. However, the School District is currently paying past compensated absences to former employees who have retired and may plan to continue to do such going forward. Since Rowlett Academy cannot determine the extent to which Rowlett Academy will be responsible for these past absences, an estimate of the potential liability cannot be determined and has not been recognized as of June 30, 2026.

ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS

---

**NOTE 11 – RISK MANAGEMENT PROGRAMS**

Rowlett Academy is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees for which Rowlett Academy has purchased commercial insurance. Rowlett Academy has not had any reduction in insurance coverage and the amount of claims resulting from these risks has not exceeded insurance coverage for the last three years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2026**

| GENERAL FUND                                            |                     |                     |                                                                  |                     |                                                                 |
|---------------------------------------------------------|---------------------|---------------------|------------------------------------------------------------------|---------------------|-----------------------------------------------------------------|
|                                                         | ORIGINAL<br>BUDGET  | FINAL<br>BUDGET     | VARIANCE WITH<br>ORIGINAL BUDGET<br>OVER (UNDER)<br>FINAL BUDGET | ACTUAL              | VARIANCE WITH<br>FINAL BUDGET<br>OVER (UNDER)<br>ACTUAL AMOUNTS |
| <b>REVENUES</b>                                         |                     |                     |                                                                  |                     |                                                                 |
| Federal through local                                   | \$ 66,995           | \$ 90,154           | \$ 23,159                                                        | \$ 90,153           | \$ (1)                                                          |
| State through local                                     | 8,010,801           | 8,023,552           | 12,751                                                           | 8,015,386           | (8,166)                                                         |
| Local                                                   | 2,007,474           | 2,107,834           | 100,360                                                          | 2,033,351           | (74,483)                                                        |
| Total Revenues                                          | 10,085,270          | 10,221,540          | 136,270                                                          | 10,138,890          | (82,650)                                                        |
| <b>EXPENDITURES</b>                                     |                     |                     |                                                                  |                     |                                                                 |
| Current                                                 |                     |                     |                                                                  |                     |                                                                 |
| Instruction                                             | 6,493,074           | 6,510,284           | 17,210                                                           | 6,431,924           | (78,360)                                                        |
| Pupil personnel services                                | 502,644             | 525,494             | 22,850                                                           | 534,184             | 8,690                                                           |
| Instructional media services                            | 312,816             | 304,090             | (8,726)                                                          | 288,540             | (15,550)                                                        |
| Instructional staff training                            | 288,639             | 293,545             | 4,906                                                            | 273,499             | (20,046)                                                        |
| General administration                                  | 148,819             | 87,723              | (61,096)                                                         | 124,942             | 37,219                                                          |
| School administration                                   | 381,524             | 379,970             | (1,554)                                                          | 365,850             | (14,120)                                                        |
| Professional services                                   | 250,550             | 290,804             | 40,254                                                           | 299,712             | 8,908                                                           |
| Central services                                        | 59,516              | 68,207              | 8,691                                                            | 73,992              | 5,785                                                           |
| Pupil transportation services                           | 420,920             | 428,298             | 7,378                                                            | 406,033             | (22,265)                                                        |
| Operation of plant                                      | 764,312             | 864,045             | 99,733                                                           | 784,930             | (79,115)                                                        |
| Community services                                      | 181,935             | 218,300             | 36,365                                                           | 225,202             | 6,902                                                           |
| Maintenance of plant                                    | 29,000              | 6,000               | (23,000)                                                         | 23,186              | 17,186                                                          |
| Total Expenditures                                      | 9,833,749           | 9,976,760           | 143,011                                                          | 9,831,994           | (144,766)                                                       |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 251,521             | 244,780             | (6,741)                                                          | 306,896             | 62,116                                                          |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                     |                     |                                                                  |                     |                                                                 |
| Transfers, net                                          | –                   | (178,832)           | (178,832)                                                        | (353,878)           | (175,046)                                                       |
| <b>NET CHANGE IN FUND BALANCE</b>                       | 251,521             | 65,948              | (185,573)                                                        | (46,982)            | (112,930)                                                       |
| <b>FUND BALANCE – Beginning of year</b>                 | 2,569,581           | 2,853,881           | 284,300                                                          | 2,501,478           | (352,403)                                                       |
| <b>FUND BALANCE – End of year</b>                       | <b>\$ 2,821,102</b> | <b>\$ 2,919,829</b> | <b>\$ 98,727</b>                                                 | <b>\$ 2,454,496</b> | <b>\$ (465,333)</b>                                             |

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL – SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2026**

|                                                         | SPECIAL REVENUE FUND |                   |                                                                  |                   |                                                                 |
|---------------------------------------------------------|----------------------|-------------------|------------------------------------------------------------------|-------------------|-----------------------------------------------------------------|
|                                                         | ORIGINAL<br>BUDGET   | FINAL<br>BUDGET   | VARIANCE WITH<br>ORIGINAL BUDGET<br>OVER (UNDER)<br>FINAL BUDGET | ACTUAL            | VARIANCE WITH<br>FINAL BUDGET<br>OVER (UNDER)<br>ACTUAL AMOUNTS |
| <b>REVENUES</b>                                         |                      |                   |                                                                  |                   |                                                                 |
| Federal through local                                   | \$ 378,600           | \$ 417,100        | \$ 38,500                                                        | \$ 415,182        | \$ (1,918)                                                      |
| Local                                                   | 180,075              | 192,325           | 12,250                                                           | 189,940           | (2,385)                                                         |
| Total Revenues                                          | 558,675              | 609,425           | 50,750                                                           | 605,122           | (4,303)                                                         |
| <b>EXPENDITURES</b>                                     |                      |                   |                                                                  |                   |                                                                 |
| Current                                                 |                      |                   |                                                                  |                   |                                                                 |
| Food services                                           | 489,051              | 589,893           | 100,842                                                          | 575,569           | (14,324)                                                        |
| Total Expenditures                                      | 489,051              | 589,893           | 100,842                                                          | 575,569           | (14,324)                                                        |
| <b>EXCESS OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 69,624               | 19,532            | (50,092)                                                         | 29,553            | 10,021                                                          |
| <b>OTHER FINANCING SOURCES (USES)</b>                   |                      |                   |                                                                  |                   |                                                                 |
| Transfers, net                                          | –                    | –                 | –                                                                | –                 | –                                                               |
| <b>NET CHANGE IN FUND BALANCE</b>                       | 69,624               | 19,532            | (50,092)                                                         | 29,553            | 10,021                                                          |
| <b>FUND BALANCE – Beginning of year</b>                 | 424,633              | 424,633           | –                                                                | 424,633           | –                                                               |
| <b>FUND BALANCE – End of year</b>                       | <b>\$ 494,257</b>    | <b>\$ 444,165</b> | <b>\$ (50,092)</b>                                               | <b>\$ 454,186</b> | <b>\$ 10,021</b>                                                |

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – BUDGET**

---

**NOTE 1 – BUDGETARY INFORMATION**

An annual budget was adopted for Rowlett Academy on the modified accrual basis of accounting. The budget included the activities of the General Fund and Special Revenue Fund. Appropriations are controlled at the fund level and all annual appropriations lapse at fiscal year-end.

**NOTE 2 – SIGNIFICANT VARIANCES BETWEEN ORIGINAL BUDGET AND FINAL BUDGET**

The General Fund and Special Revenue Fund budgets were revised on July 21, 2026 to adjust for significant changes from original assumptions used to prepare the original budget. In the General Fund, the budget for local revenues was increased \$100,360 due to higher than anticipated school-age child care fees of \$57,376 and referendum millage allocations of \$37,197. The general administration expenditure budget was decreased by \$61,096 for decreases in anticipated personnel related costs of \$50,971 and decreases in anticipated costs for purchased services of \$11,000. The operation of plant expenditures budget was increased by \$99,733 due to significant increases in employee benefit expense related to insurance costs of \$102,425, offset by a decrease in anticipated costs of purchased services of \$23,286.

In the Special Revenue fund, the federal through local revenues budget was largely increased by \$38,500 related school breakfast reimbursement higher than initially anticipated. Budgeted food service expenditures largely increased related to supplies and materials were more costly than anticipated by \$100,294.

**NOTE 3 – SIGNIFICANT VARIANCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS**

In the General Fund, the variance between final budgeted local revenues and actual amounts related largely to a variance of \$42,830 related to transportation revenues. Variances between expenditure final budget amounts compared to actual amounts were primarily due to differences in anticipated personnel and insurance costs.

There were no significant variances between the final budget and actual amounts for the Special Revenue Fund.

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE  
 NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM**

|                                                                                                          | FLORIDA RETIREMENT SYSTEM (FRS)<br>Last Ten Fiscal Years |              |              |              |              |              |              |              |              |              |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                                                                          | 2016                                                     | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
| Charter School's proportion of the net pension liability                                                 | 0.008549198%                                             | 0.009550518% | 0.008934487% | 0.008615791% | 0.008360840% | 0.009279174% | 0.009730302% | 0.009359324% | 0.008503971% | 0.008408927% |
| Charter School's proportionate share of the net pension liability                                        | \$ 2,158,679                                             | \$ 2,824,979 | \$ 2,691,114 | \$ 2,967,159 | \$ 3,623,711 | \$ 700,936   | \$ 3,620,454 | \$ 3,729,394 | \$ 3,289,736 | \$ 2,609,721 |
| Charter School's covered payroll                                                                         | \$ 3,515,039                                             | \$ 3,436,039 | \$ 3,444,995 | \$ 3,607,864 | \$ 3,564,328 | \$ 3,545,985 | \$ 3,039,080 | \$ 3,539,512 | \$ 3,672,106 | \$ 3,640,333 |
| Charter School's proportionate share of the net pension liability as a percentage of its covered payroll | 61%                                                      | 82%          | 78%          | 82%          | 102%         | 20%          | 119%         | 105%         | 90%          | 72%          |
| Plan fiduciary net position as a percentage of total pension liability                                   | 84.88%                                                   | 83.89%       | 84.26%       | 82.61%       | 78.85%       | 96.40%       | 82.89%       | 82.38%       | 83.70%       | 87.26%       |

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE  
 NET PENSION LIABILITY - RETIREE HEALTH INSURANCE SUBSIDY**

|                                                                                                          | RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)<br>Last Ten Fiscal Years |              |              |              |              |              |              |              |              |              |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                                                                          | 2016                                                                    | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
| Charter School's proportion of the net pension liability                                                 | 0.012931039%                                                            | 0.014104187% | 0.013698717% | 0.013130599% | 0.013242019% | 0.013732061% | 0.013592297% | 0.014318853% | 0.013990479% | 0.013481195% |
| Charter School's proportionate share of the net pension liability                                        | \$ 1,507,059                                                            | \$ 1,508,085 | \$ 1,449,888 | \$ 1,469,183 | \$ 1,616,829 | \$ 1,684,444 | \$ 1,439,641 | \$ 2,274,025 | \$ 2,098,708 | \$ 1,727,945 |
| Charter School's covered payroll                                                                         | \$ 3,515,039                                                            | \$ 3,436,039 | \$ 3,444,995 | \$ 3,607,864 | \$ 3,564,328 | \$ 3,545,985 | \$ 3,039,080 | \$ 3,539,512 | \$ 3,672,106 | \$ 3,640,333 |
| Charter School's proportionate share of the net pension liability as a percentage of its covered payroll | 43%                                                                     | 44%          | 42%          | 41%          | 45%          | 48%          | 47%          | 64%          | 57%          | 47%          |
| Plan fiduciary net position as a percentage of total pension liability                                   | 0.97%                                                                   | 1.64%        | 2.15%        | 2.63%        | 3.00%        | 3.56%        | 4.81%        | 4.12%        | 4.80%        | 6.36%        |

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 SCHEDULE OF THE CHARTER SCHOOL'S CONTRIBUTIONS - FLORIDA RETIREMENT SYSTEM**

|                                                                      |    | FLORIDA RETIREMENT SYSTEM (FRS) |              |              |              |              |              |              |              |              |              |
|----------------------------------------------------------------------|----|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                                      |    | Last Ten Fiscal Years           |              |              |              |              |              |              |              |              |              |
|                                                                      |    | 2016                            | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
| Contractually required contribution *                                | \$ | 208,486                         | \$ 248,623   | \$ 254,626   | \$ 267,152   | \$ 277,794   | \$ 353,496   | \$ 415,210   | \$ 450,244   | \$ 481,549   | \$ 502,071   |
| Contributions in relation to the contractually required contribution |    | 208,486                         | 248,623      | 254,626      | 267,152      | 277,794      | 353,496      | 415,210      | 450,244      | 481,549      | 502,071      |
| Contribution deficiency (excess)                                     | \$ | -                               | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Charter School's covered payroll                                     | \$ | 3,515,039                       | \$ 3,436,039 | \$ 3,444,995 | \$ 3,607,864 | \$ 3,564,328 | \$ 3,545,985 | \$ 3,039,080 | \$ 3,539,512 | \$ 3,672,106 | \$ 3,640,333 |
| Contributions as a percentage of covered payroll                     |    | 5.93%                           | 7.24%        | 7.39%        | 7.40%        | 7.79%        | 9.97%        | 13.66%       | 12.72%       | 13.11%       | 13.79%       |

\* - Contributions noted per this schedule are pursuant to the measurement date of the actuarial report.

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER  
 WILLIAM MONROE ROWLETT ACADEMY FOR ARTS & COMMUNICATION, INC.)  
 A CHARTER SCHOOL AND COMPONENT UNIT OF  
 THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
 SCHEDULE OF THE CHARTER SCHOOL'S CONTRIBUTIONS – RETIREE HEALTH INSURANCE SUBSIDY**

| RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)<br>Last Ten Fiscal Years |              |              |              |              |              |              |              |              |              |              |
|-------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                                         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         |
| Contractually required contribution *                                   | \$ 66,280    | \$ 74,643    | \$ 74,288    | \$ 72,913    | \$ 76,308    | \$ 80,717    | \$ 82,245    | \$ 94,192    | \$ 118,448   | \$ 120,490   |
| Contributions in relation to the contractually required contribution    | 66,280       | 74,643       | 74,288       | 72,913       | 76,308       | 80,717       | 82,245       | 94,192       | 118,448      | 120,490      |
| Contribution deficiency (excess)                                        | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Charter School's covered payroll                                        | \$ 3,515,039 | \$ 3,436,039 | \$ 3,444,995 | \$ 3,607,864 | \$ 3,564,328 | \$ 3,545,985 | \$ 3,039,080 | \$ 3,539,512 | \$ 3,672,106 | \$ 3,640,333 |
| Contributions as a percentage of covered payroll                        | 1.89%        | 2.17%        | 2.16%        | 2.02%        | 2.14%        | 2.28%        | 2.71%        | 2.66%        | 3.23%        | 3.31%        |

\* – Contributions noted per this schedule are pursuant to the measurement date of the actuarial report.

**ROWLETT ACADEMY (A CHARTER SCHOOL UNDER WILLIAM MONROE ROWLETT ACADEMY FOR  
ARTS & COMMUNICATION, INC.)  
A CHARTER SCHOOL AND COMPONENT UNIT OF  
THE SCHOOL DISTRICT OF MANATEE COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION**

---

## **ACTUARIAL METHODS AND ASSUMPTIONS**

Actuarial assumptions for both defined benefit plans (FRS and HIS) are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. This HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed for the period July 1, 2018 through June 30, 2023. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program. The actuarial assumptions that determined the total pension liability for the HIS program were based on certain results of the most recent experience study for the FRS pension plan.

The total pension liability for FRS was determined by an actuarial valuation as of July 1, 2025 and for HIS as of July 1, 2024. Both plans used the individual entry age normal actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. 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. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 5.20% was used to determine the total pension liability for the program. Mortality assumptions for the FRS plan was based on the PUB-2010 base table, projected generationally with Scale MP-2021, and mortality assumptions for the HIS program were based on the Generational PUB-2010 with Projection Scale MP-2021.

The following changes in actuarial assumptions occurred in 2025 for FRS and HIS:

- All demographic assumptions and methods were reviewed as part of the 2024 Experience Study. Changes were adopted by the 2024 FRS Actuarial Assumption Conference during its meetings in October 2024.
- The assumption changes were updated to reflect recent and anticipated future experience of HIS program participants. Changes were adopted by the 2025 FRS Actuarial Assumption Conference during its October 2025 meeting.
- The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates. The previous rate was 3.93%.

## **OTHER AUDITOR'S REPORTS**

**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 of Rowlett Academy  
(a charter school under William Monroe Rowlett Academy for  
Arts & Communication, Inc.), a charter school and component  
unit of the School District of Manatee County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rowlett Academy, a charter school under William Monroe Rowlett Academy for Arts & Communication, Inc. (a charter school and component unit of the School District of Manatee County, Florida), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Rowlett Academy's basic financial statements, and have issued our report thereon dated September 25, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Rowlett Academy'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 Rowlett Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Rowlett Academy's internal control.

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

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rowlett Academy'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.

CS&L CPAs

CS&L CPAs, P.A.

September 25, 2026  
Bradenton, Florida

## MANAGEMENT LETTER

To the Board of Directors of Rowlett Academy  
(a charter school under William Monroe Rowlett Academy for  
Arts & Communication, Inc.), a charter school and component  
unit of the School District of Manatee County, Florida

### Report on the Financial Statements

We have audited the financial statements of Rowlett Academy, a charter school under William Monroe Rowlett Academy for Arts & Communication, Inc. (a charter school and component unit of the School District of Manatee County, Florida) as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 25, 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 Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 25, 2026, should be considered in conjunction with this management letter.

### Prior Audit Findings

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

### 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 of the entity is disclosed in Note 1 of the financial statements. The school code assigned by the Florida Department of Education of the entity is 2171.

## **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 Rowlett Academy 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 Rowlett Academy 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 Rowlett Academy. It is management's responsibility to monitor Rowlett Academy'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 the 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 Rowlett Academy maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Rowlett Academy maintained on its website the information as specified in Section 1002.33(9)(p), Florida Statutes.

## **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but which 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, applicable management, and the School District of Manatee County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

CS&L CPAs

**CS&L CPAs, P.A.**

September 25, 2026  
Bradenton, Florida