



AMIkids Panama City Marine Institute, Inc.

FINANCIAL STATEMENTS

June 30, 2026

(With comparative financial information for 2025)



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REPORT





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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
AMIkids Panama City Marine Institute, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of AMIkids Panama City Marine Institute, Inc. (Institute), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AMIkids Panama City Marine Institute, Inc. as of June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 AMIkids Panama City Marine Institute, Inc. 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 AMIkids Panama City Marine Institute, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 AMIkids Panama City Marine Institute, Inc.'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 AMIkids Panama City Marine Institute, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules, as described in the table of contents, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our

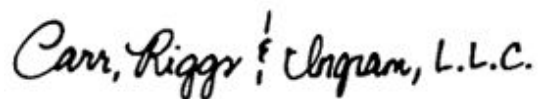
opinion, the supplementary information, as described in the table of contents, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026, on our consideration of AMIkids Panama City Marine Institute, Inc.'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 AMIkids Panama City Marine Institute, Inc.'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 AMIkids Panama City Marine Institute, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited AMIkids Panama City Marine Institute, Inc.'s 2025 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 29, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
September 30, 2026



FINANCIAL STATEMENTS



AMIkids Panama City Marine Institute, Inc.
Statements of Financial Position

<i>June 30,</i>	2026	2025
Assets		
Cash and cash equivalents	\$ 139,575	\$ 86,861
Accounts receivable:		
Funding agencies	181,836	7,191
Prepaid expenses and other assets	9,847	8,331
Due from affiliates	296,461	144,800
Property and equipment, net	70,898	663
Total assets	\$ 698,617	\$ 247,846
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 7,239	\$ 3,514
Accrued expenses	58,445	40,815
Accrued pension	574	1,543
Due to affiliates	191,925	47,319
Finance lease liabilities	-	875
Related party notes payable	-	537,801
Total liabilities	258,183	631,867
Net Assets:		
Without donor restrictions	367,876	(424,008)
With donor restrictions	72,558	39,987
Total net assets	440,434	(384,021)
Total liabilities and net assets	\$ 698,617	\$ 247,846

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

AMIkids Panama City Marine Institute, Inc.
Statements of Activities

<i>For the years ended June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2026 Total	2025 Summarized Total
Public support and revenue:				
Public support				
Federal	\$ 213,992	\$ -	\$ 213,992	\$ 169,988
Regional	512,393	-	512,393	216,040
Contributions	290,939	86,231	377,170	170,945
Total public support	1,017,324	86,231	1,103,555	556,973
Revenue				
Investment income	340	-	340	625
Gain on extinguishment of affiliate debt	782,801	-	782,801	-
Other	28,511	-	28,511	123
Total revenue	811,652	-	811,652	748
Net assets released from restrictions	53,660	(53,660)	-	-
Total public support and revenue	1,882,636	32,571	1,915,207	557,721
Expenses:				
Program services	1,032,289	-	1,032,289	960,672
Management and general	58,463	-	58,463	26,146
Total expenses	1,090,752	-	1,090,752	986,818
Change in net assets before distribution to affiliates	791,884	32,571	824,455	(429,097)
Distributions to Affiliates	-	-	-	(385,670)
Change in net assets	791,884	32,571	824,455	(814,767)
Net assets, beginning of year	(424,008)	39,987	(384,021)	430,746
Net assets, end of year	\$ 367,876	\$ 72,558	\$ 440,434	\$ (384,021)

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

AMIkids Panama City Marine Institute, Inc.
Statement of Functional Expenses

<i>For the years ended June 30,</i>	Program Services			Management and General	2026 Total	2025 Summarized Total
	Workforce Development	Charter School	Total Program Services			
Direct	\$ 1,445	\$ 157,907	\$ 159,352	\$ -	\$ 159,352	\$ 87,948
Salary and wages	14,179	392,233	406,412	-	406,412	444,257
Payroll benefits	6,565	87,147	93,712	-	93,712	118,060
Payroll taxes	1,368	27,867	29,235	-	29,235	31,534
Professional fees	-	132,805	132,805	50,100	182,905	103,437
Grants awarded expense	-	-	-	-	-	550
Advertising and promotion	-	14,560	14,560	-	14,560	7,876
Amortization	-	-	-	-	-	1,400
Provision for credit losses	-	-	-	-	-	2,261
Fundraising fees	-	134	134	-	134	-
Conferences, conventions, and meetings	983	5,182	6,165	828	6,993	10,408
Depreciation	484	615	1,099	-	1,099	1,434
Facilities	-	87,384	87,384	-	87,384	72,018
Insurance	6,369	27,411	33,780	3,637	37,417	63,314
Interest and bank charges	-	-	-	845	845	547
Office supplies	79	7,174	7,253	3,053	10,306	7,453
Other expenses	7,262	11,323	18,585	-	18,585	16,075
Repairs and maintenance	-	33,271	33,271	-	33,271	11,534
Taxes	-	41	41	-	41	-
Telecommunication	-	1,125	1,125	-	1,125	764
Travel expenses	-	7,352	7,352	-	7,352	5,282
Utilities	24	-	24	-	24	666
Total expense	\$ 38,758	\$ 993,531	\$ 1,032,289	\$ 58,463	\$ 1,090,752	\$ 986,818

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

AMIkids Panama City Marine Institute, Inc. Statements of Cash Flows

<i>For the years ended June 30,</i>	2026	2025
Cash flows from operating activities:		
Change in net assets before distribution to affiliates	\$ 824,455	\$ (429,097)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	1,099	2,834
Gain on disposal of property and equipment	-	1,961
Gain on extinguishment of affiliate debt	(782,801)	-
(Increase) decrease in:		
Accounts receivable	(174,645)	105,037
Prepaid expenses and other	(1,516)	30,719
Boat Inventory	-	946
Due from affiliates	(151,661)	(127,341)
Increase (decrease) in:		
Accounts payable	3,725	(996)
Accrued expenses	17,630	(116,282)
Accrued pension	(969)	448
Due to affiliates	144,606	34,047
Net cash and cash used in operating activities	(120,077)	(497,724)
Cash flows from investing activities:		
Purchases of property and equipment	(71,334)	-
Net cash and cash equivalents used in investing activities	(71,334)	-
Cash flows from financing activities:		
Proceeds from new borrowings from affiliates	245,000	411,500
Payments on finance lease liabilities	(875)	(852)
Net cash and cash equivalents provided by financing activities	244,125	410,648
Net Increase (decrease) in cash and cash equivalents	52,714	(87,076)
Cash and cash equivalents at beginning of year	86,861	173,937
Cash and cash equivalents at end of year	\$ 139,575	\$ 86,861
Supplemental disclosure:		
Cash paid for interest	\$ 13	\$ 37
Cash paid for amounts included in the measurement of lease liabilities		
Financing cash flows from finance leases	\$ 875	\$ 852
Disclosures of noncash investing and financing activities:		
Distributions of property to affiliates	\$ -	\$ 352,749
Due to affiliates converted into a related party note payable	\$ -	\$ 126,301

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

AMIkids Panama City Marine Institute, Inc. Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

AMIkids Panama City Marine Institute, Inc. is a non-profit corporation (referred to as “Institute”) and seeks to fulfill the mission of empowering young people to believe in themselves and believe success is possible. The AMIkids Personal Growth Model is a proven success, tying together education and workforce development, treatment, and behavior and skills training. These services are performed by the Institute, which is one of over forty affiliated, but independently governed member programs and schools located in Alabama, Florida, Georgia, Louisiana, New Mexico, North Carolina and South Carolina. The Institute’s educational component is accredited by Cognia, a global accrediting agency dedicated to advancing excellence in schools, universities, and educational agencies.

The Institute entered into a Type 1 charter school contract with Bay County School Board (BCSB) to operate a charter school in Panama City, Florida. The charter school (d/b/a AMIkids Maritime Academy) serves Bay County students in grades 9-12 who are eligible to attend a public school in Bay County and provides multiple pathways to college and careers, all centered around a marine-focused curriculum. With the ocean as our classroom, we provide hands-on training in careers related to the sea, including military service, oceanography, marine biology, and recreational industries. Students gain practical skills through lifeguarding, sailing, and seamanship courses. In their first semester alone, students earn certifications in CPR, boater safety, and lifeguarding alongside their academic studies. The Institute is an independent non-profit entity, separate and distinct from the Bay County School Board, the primary government and reporting entity. However, the Charter School is a component unit of BCSB and the School’s financial statements are included in the BCSB’s basic financial statements as a component unit. All net position and activities of the charter school operation are included in AMIkids Panama City Marine Institute, Inc. Separate disclosure of the charter school's position and activities in accordance with reporting requirement of the Florida Department of Education is included as supplementary information to the Institute's financial statements.

AMIkids, Inc. (AMIkids) is the sole member of the Institute. AMIkids is located in Florida and executes the contracts, collects funds, coordinates the operations and manages the record keeping of these member programs and schools through a subcontract agreement between AMIkids and the Institute. The Institute’s operating funds are primarily generated from federal and state contracts, local funds and contributions.

Continued operation of the Institute’s and charter school programs are dependent on continued funding from AMIkids’ federal and state contracts and local agencies as well as financial and other support from AMIkids.

AMIkids Panama City Marine Institute, Inc.
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and such differences could be material.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restriction: Include net assets that are not subject to donor-imposed stipulations and net assets that have been designated for a specific purpose by the Board of Directors.

Net Assets With Donor Restrictions: Include gifts for which donor-imposed restrictions due to time or purpose have not yet been met and gifts that require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions, as applicable.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

AMIkids Panama City Marine Institute, Inc.
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable consists primarily of receivables from federal and state agencies and county school boards. The Institute reviews outstanding receivables for collectability based on historical payment history from the payer and any known circumstances casting doubt over the collectability of accounts and reserves for amounts considered to be uncollectible. The Institute considers its accounts receivable to be fully collectible and therefore, no material allowance has been recorded. Amounts becoming uncollectible will be charged against the allowance for credit losses when that determination is made.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses on the statement of net position. The cost of prepaid expenses is recorded as an expense when consumed rather than when purchased.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost, if purchased or at estimated fair value at date of receipt if donated. Property and equipment transferred to the Institute by a funding agency are stated at estimated fair value at date of transfer. Property transferred or acquired with grant funds may revert to the funding agency should the Institute no longer provide the rehabilitation services required by the contract. At the time property is retired, or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in earnings. Repairs and maintenance are expensed when incurred. Depreciation and amortization is calculated using the straight-line method over the following estimated useful lives of the assets:

Permanent site improvements	10 years
Buildings and improvements	10-20 years
Furniture, fixtures and equipment	3-5 years
Motor vehicles	3-5 years
Boats, motors and trailers	3 years

AMIkids Panama City Marine Institute, Inc.
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets

The Institute reviews all long-lived assets, which consist primarily of property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the discounted cash flows.

Leases

The Institute leases equipment. The Institute determines if an arrangement is a lease at inception. Finance leases are included in finance lease right-of-use (ROU) assets and finance lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. As most of the leases do not provide an implicit rate, the Institute uses its incremental borrowing rate or a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Institute will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Institute uses rates implicit in the lease, or if not readily available, the Institute uses the incremental borrowing rate. The incremental borrowing rate is based on an estimated secured rate comprised of a risk-free rate plus a credit spread as secured by the Institute's assets. Determining a credit spread as secured by the Institute's assets may require significant judgment.

Public Support and Revenue

Public support is primarily from the Institute's contracts with various state agencies. Contracts with state agencies generally provide funding based on enrollment. Other public support represents amounts received from federal and regional sources.

A significant portion of the Institute's grants and contracts are from government agencies. These benefits received by the public as a result of the assets transferred is not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Public support contracts are analyzed for measurable performance-related barriers or other measurable barriers, primarily client service days or expenditure of resources on allowable costs. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as deferred revenue.

AMIkids Panama City Marine Institute, Inc.
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Public Support and Revenue (Continued)

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions are initially recorded as increases in net assets without donor restrictions.

Functional Allocation of Expenses

The costs of providing the various services have been summarized on a functional basis between program services and supporting services. Certain costs have been allocated among program services and supporting services. Salaries are allocated based on the time and effort expended between program and supporting services. Facilities and utilities and repairs and maintenance costs are allocated based on the ratio allocation of salaries between program and management and general.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Institute is exempt from taxes on income other than unrelated business income.

The Institute utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2026 and 2025, the Institute has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2026, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

AMIkids Panama City Marine Institute, Inc.
Notes to Financial Statements

Note 2: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2026 and 2025 consists of:

	2026	2025
Furniture, fixtures and equipment	\$ 74,438	3,103
Less accumulated depreciation	(3,540)	(2,440)
Property and equipment, net	\$ 70,898	\$ 663

Depreciation and amortization expense for the years ended June 30, 2026 and 2025 amounted to \$1,099 and \$2,834 respectively.

Note 3: LEASES

The Institute had finance leases for equipment. The lease concluded during the year ended June 30, 2026. As of June 30, 2026 and 2025, assets recorded under finance leases were \$-0- and \$3,361, respectively, and accumulated depreciation associated with finance leases was \$-0- and \$3,361, respectively.

The components of lease expense consist of the following:

<i>For the years ended June 30,</i>	2026	2025
Finance lease cost		
Amortization of right-of-use assets	\$ -	\$ 1,400
Interest on lease liabilities	13	37
Total finance lease cost	\$ 13	\$ 1,437

Weighted average remaining lease term and discount rates consist of the following:

<i>For the years ended June 30,</i>	2026	2025
Weighted average remaining lease term		
Finance leases	-	1 year
Weighted average discount rate		
Finance leases	2.75%	2.75%

AMIkids Panama City Marine Institute, Inc.
Notes to Financial Statements

Note 4: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2026 and 2025:

	2026	2025
Education/scholarship	\$ 3,850	\$ 4,000
Building/equipment	33,018	31,020
Experiential activities	1,050	310
Workforce development	939	668
Other	33,701	3,990
	<u>\$ 72,558</u>	<u>\$ 39,987</u>

Net assets were released from donor restrictions by occurrence of events specified by donors as follows for the years ended June 30, 2026 and 2025:

	2026	2025
Education/scholarship	\$ -	\$ 21,621
Building/equipment	16,518	80,735
Experiential activities	24,063	14,090
Workforce development	729	1,570
Other	12,350	-
	<u>\$ 53,660</u>	<u>\$ 118,016</u>

Note 5: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Institute's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

<i>As of June 30,</i>	2026
Cash and cash equivalents	\$ 139,575
Accounts receivable	181,836
Due from affiliates	296,461
Total	617,872
Less: Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	(72,558)
Financial assets available within one year to meet cash needs for general expenditures within one year	<u>\$ 545,314</u>

AMIkids Panama City Marine Institute, Inc.
Notes to Financial Statements

Note 5: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (Continued)

The Institute prepares an annual budget that is approved by the Board of Directors for the upcoming year. The annual budget includes projected revenue based on current grants, contracts and contributions. Internally prepared financial statements comparing budget to actual results are reviewed by management on a monthly basis and cash flow is monitored daily.

Generally, the Institute will have advance notice of grants and contracts terminating and will manage the reductions in cash flow by reducing expenditures and where necessary, by reducing staffing levels.

As part of the Institute liquidity management, financial assets are structured to be available as general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the Institute has available intercompany short-term notes payable, which it could draw upon. The amount available would be sufficient to cover any deficit in available financial assets below general expenditures within the next fiscal year.

Note 6: RELATED PARTY TRANSACTIONS

As stated in Note 1, AMIkids executes the contracts, collects funds, coordinates the operations and manages the record keeping of the Institute and remits these funds to the Institute on a monthly basis in accordance with the subcontract agreement. For providing these and other services, AMIkids was paid \$62,738 and \$17,631 in fiscal years 2026 and 2025 respectively, which was recorded as management fee and other expense included in program services and management and general in the accompanying statement of functional expenses.

Amounts due from AMIkids and other affiliates at June 30, 2026 and 2025 consists of:

	2026	2025
Affiliate trade receivables	\$ 296,461	\$ 144,800
Total	\$ 296,461	\$ 144,800

The Institute periodically enters into transactions with AMIkids and affiliated Institutes for intercompany billings of common costs and services received or rendered. The Institute may also enter into other financing transactions with AMIkids. Except as noted below, these amounts are non-interest bearing and have no maturity date or collateral.

AMIkids Panama City Marine Institute, Inc. Notes to Financial Statements

Note 6: RELATED PARTY TRANSACTIONS (Continued)

Amounts due to AMIkids and other affiliates at June 30, 2026 and 2025 consists of:

	2026	2025
Affiliate trade payables	\$ 191,925	\$ 47,319
Notes payable to AMIkids, due on demand		
interest charges accruing at 3.5% per annum; Unsecured	-	537,801
AMIkids, Inc. forgave the principal and interest balances totaling \$782,801 during fiscal year 2026.		
	\$ 191,925	\$ 585,120

Note 7: PENSION PLAN

AMIkids maintains a non-contributory defined contribution money purchase pension plan covering all full-time employees who have completed two years of service and have attained the age of 20 ½ years. Contributions to the Plan are based on a percentage of each employee's compensation for the year. The pension expense for the years ended June 30, 2026 and 2025 totaled \$18,757 and \$39,128, respectively.

Note 8: CONTINGENCIES

A substantial portion of AMIkids and the Institute's public support is derived from programs supported by various funding agencies. Under the terms of the agreements with these funding agencies, AMIkids and the Institute's financial records are subject to audit by the appropriate governmental authorities. Depending upon the results of these audits, if any, funds may be required to be refunded to the appropriate funding agency. In the opinion of AMIkids and the Institute's management, no public support funds will be required to be refunded. Accordingly, no provision for such contingency has been made in these financial statements.

The Institute is subject to various claims and legal proceedings, which arise in the ordinary course of business. The Institute does not believe that these matters will have a material adverse effect on its financial position or operating activities.

Note 9: CONCENTRATIONS OF CREDIT RISK

Cash is maintained in bank deposit accounts, which at times may exceed federally insured limits. The Institute believes it is not exposed to any significant credit risk in these accounts.



SUPPLEMENTARY SCHEDULES



AMIkids Panama City Marine Institute, Inc.
Charter School Balances and Information
Net Position

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 187,562
Due from related party	164,848
Accounts receivable:	
Funding agencies	181,836
Prepaid expenses and other assets	9,847
Capital assets, net	70,857
Total assets	614,950
Liabilities	
Accounts payable	7,117
Due to affiliate	328,969
Accrued expenses	59,019
Total liabilities	395,105
Net Position	
Net Investment in Capital Assets	70,857
Unrestricted	148,988
Total net position	\$ 219,845

Note: Information presented in this supplementary information is to present the standalone assets, liabilities and net position of the charter school program.

AMKids Panama City Marine Institute, Inc.
Charter School Balances and Information
Activities

		Program Revenues	Net (Expenses) Revenue and Changes Net Position
	Expenses	Operating Grants and Contributions	Governmental Activities
Governmental Activities:			
Instruction	\$ 580,023	\$ 534,098	\$ (45,925)
School administration (office of the principal)	176,078	-	(176,078)
Fiscal services	22,264	-	(22,264)
Food services	2,410	9,804	7,394
Student transportation services	11,718	-	(11,718)
Operation of Plant	177,558	68,028	(109,530)
Central services	61,487	-	(61,487)
Maintenance of Plant	50	-	(50)
Administrative technology services	6,935	-	(6,935)
Community services	14,560	-	(14,560)
Total Governmental Activities	<u>\$ 1,053,083</u>	<u>\$ 611,930</u>	<u>\$ (441,153)</u>
General Revenue			
State through local			444,365
Interest income			67
Miscellaneous revenue			25,140
Special item: Gain on extinguishment of affiliate debt			<u>782,801</u>
Total General Revenues			<u>1,252,373</u>
Change in Net Position			811,220
Net position, beginning of year			<u>(591,375)</u>
Net position, end of year			<u>\$ 219,845</u>

Note: Information presented in this supplementary information is to present the standalone revenues, expenses and net position of the charter school program.

The following is a reconciliation of total charter school expenses reported above to total charter program expenses reported on the statement of function expense for the year ended June 30, 2026:

	2026
Total Charter School expenses reported on the Charter School Balances and Information - Activities:	\$ 1,053,083
Charter school management and general expense:	<u>(59,552)</u>
Total Charter Program expense reported on the consolidated statement of functional expenses:	<u>993,531</u>



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

The Board of Trustees
AMIkids Panama City Marine Institute, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of AMIkids Panama City Marine Institute, Inc. (the Institute), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Institute'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

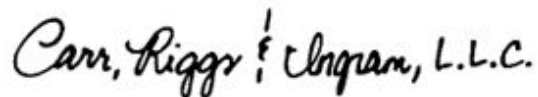
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Report on Compliance and Other Matters

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive, slightly stylized font.

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
September 30, 2026



CARR, RIGGS & INGRAM, L.L.C.

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**MANAGEMENT LETTER AS REQUIRED BY RULES
OF THE FLORIDA AUDITOR GENERAL, CHAPTER 10.850,
FLORIDA STATUTES, CHARTER SCHOOL AUDITS**

The Board of Trustees
AMIkids Panama City Marine Institute, Inc.

Report on the Financial Statements

We have audited the financial statements of the AMIkids Panama City Marine Institute, Inc. as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 30, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Disclosures in those reports and schedule, which are dated September 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are AMIkids Panama City Marine Institute, Inc., FL-03-0764.

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 AMIkids Panama City Marine Institute, Inc. 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 AMIkids Panama City Marine Institute, Inc. 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 AMIkids Panama City Marine Institute, Inc. and Affiliate. It is management's responsibility to monitor AMIkids Panama City Marine Institute, Inc. financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

Transparency

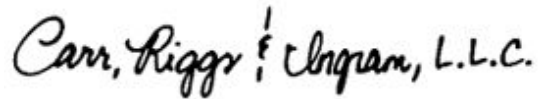
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether AMIkids Panama City Marine Institute, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that AMIkids Panama City Marine Institute, Inc. maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive, flowing style.

CARR, RIGGS & INGRAM, LLC

Tampa, Florida
September 30, 2026