

*Management Letter*

**Mount Carmel Academy Charter School**  
(A Non-Profit Organization)

*Year ended September 30, 2025*



**Shape the future  
with confidence**



February 27, 2026

Board of Trustees  
Mount Carmel Academy Charter School

In planning and performing our audit of the financial statements of the Mount Carmel Academy Charter School (the Academy) as of and for the year ended September 30, 2025, 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, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 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.

During our audit, we noted the following other matters that should be brought to your attention:

### **GASB Statement No. 87 *Leases***

#### Condition:

The Academy did not initially assess two lease contracts in accordance with GASB Statement No. 87, *Leases*. Unrecorded lease asset and lease liability related to these lease contracts as of September 30, 2025 amounted to \$107,366 and \$108,194, respectively. Management was aware that the lease agreements were within the scope of GASB Statement No. 87, *Leases*, however, were overlooked during the financial statement closing process.

#### Recommendation:

We recommend Academy management develop an implementation plan to evaluate the impact and develop processes for any new GASB Statements in order to ensure its proper adoption.

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This communication is intended solely for the information and use of the Academy's management and the Board of Trustees, others within the organization, and the Office of Public Accountability and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss the above matter or to respond to any questions, at your convenience.

Sincerely,

*Ernst + Young LLP*