HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Pinecrest Preparatory Academy Charter Middle School
WL# 6022
(A Charter School under Pinecrest Academy, Inc.)

Miami, Florida

Financial Statements and
Independent Auditors' Report
June 30, 2024

TABLE OF CONTENTS

General Information 1
Independent Auditors' Report. 2-4
Management's Discussion and Analysis
(Required Supplementary Information) 5-9

Basic Financial Statements:
Government-wide Financial Statement:
Statement of Net Position. 10
Statement of Activities. 11
Fund Financial Statements:
Balance Sheet - Governmental Funds. 12
Reconciliation of the Governmental Fund Balance
Sheet to the Statement of Net Position. 13
Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Funds. 14
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities. 15
Notes to the Basic Financial Statements 16-31

Required Supplementary Information:
Budgetary Comparison Schedules. 32-33

Independent Auditors' 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. 34-35
Management Letter 36-37

Pinecrest Preparatory Academy Charter Middle School
WL # 6022

14901 SW 42 ST
Miami, FL 33185

2023-2024

BOARD OF DIRECTORS

Carlos Alvarez, Chair, Director
Shannie Sadesky, Treasurer, Director
Juan Molina, Secretary, Director
Erin Demirjian, Director
Albert Maillo, Director
Sheila Caleo Gonzalez, Director

SCHOOL ADMINISTRATION

Amelia Vildosola, Principal

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Pinecrest Preparatory Academy Charter Middle School
Miami, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Pinecrest Preparatory Academy Charter Middle School (the "School"), a charter school under Pinecrest Academy, Inc. as of, and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pinecrest Academy, 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 the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of a Matter – Presentation

As described in Note 1, the accompanying financial statements referred to above present only the financial position and change in financial position of the School that is attributable to the transactions of the School and is not intended to be a complete presentation of Pinecrest Academy, Inc. These financial statements do not purport to, and do not, present fairly the financial position of Pinecrest Academy, Inc. as of June 30, 2024 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of a Matter – Restatement
As discussed in Note 12 to the financial statements, the 2024 financial statements dated September 12, 2024, have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 9 and 32 through 33 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 February 7, 2025 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

HLB Grain, LLP

Coral Gables, Florida
February 7, 2025

CERTIFIED PUBLIC ACCOUNTANTS

Management's Discussion and Analysis
Pinecrest Preparatory Academy Charter Middle School
(A Charter School under Pinecrest Academy, Inc.)
June 30, 2024

The corporate officers of Pinecrest Academy, Inc. have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2024.

Financial Highlights

1. The net position of the School at June 30, 2024 was $6,818,004.
2. At year-end, the School had current assets on hand of $3,454,844.
3. The School had an increase in its net position of $933,316 for the year ended June 30, 2024.
4. The unassigned fund balance at year end was $2,601,402.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2024 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

The *Statement of Net Position* presents information on all of the School's assets and deferred outflows of resources and liabilities and deferred inflows of resources. The difference between the four is reported as *net position*. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10 – 11 of this report.

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 12 - 15 of this report.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 16 - 31 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The School's net position was $6,818,004 at the close of the fiscal year. As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. A summary of the School's net position as of June 30, 2024 and 2023 follows:

	2024	2023
Cash	$ 907,264	$ 220,966
Investments	1,840,000	3,290,000
Due from other agencies	683,215	1,003,608
Prepaid expenses and other current assets	24,365	25,672
Due from other divisions of Pinecrest Academy, Inc.	-	111,005
Long term receivables	1,406,399	730,000
Capital assets and right of use asset, net	12,945,228	8,981,388
Total Assets	17,806,471	14,362,639
Deferred outflows of resources	-	-
Accounts payable and accrued liabilities	441,532	33,881
Salaries and wages payable	247,946	427,761
Notes payable	2,500,000	-
Lease liability	7,798,989	8,016,309
Total Liabilities	10,988,467	8,477,951
Deferred inflows of resources	-	-
Net Position:		
Net investment in capital assets	5,146,239	965,079
Restricted	139,599	159,415
Unrestricted	1,532,166	4,760,194
Total Net Position	$ 6,818,004	$ 5,884,688

At the end of the fiscal year, the School can report positive balances in total net position. The same situation held true for the prior fiscal year.

A summary and analysis of the School's revenues and expenses for the year ended June 30, 2024 and 2023 follows:

	2024	2023
REVENUES		
Program Revenues		
Capital grants and contributions	$ 388,613	$ 328,747
Federal sources	533,975	896,246
Lunch program	210,281	226,422
General Revenues		
State and local sources	5,937,783	4,226,965
Charges for services and other revenues	839,077	532,147
Total Revenues	$ 7,909,729	$ 6,210,527
EXPENSES		
Governmental Activities:		
Instruction	$ 3,052,664	$ 2,718,947
Student support services	161,022	4,038
Instructional staff training	35,314	33,512
Board	47,978	38,763
General administration	19,769	-
School administration	614,537	568,640
Facilities acquisition	149,182	149,182
Fiscal services	77,583	78,150
Food services	232,117	193,053
Central services	109,098	125,364
Operation of plant	1,308,884	996,424
Maintenance of plant	231,321	249,330
Administrative technology services	41,825	30,278
Community services	499,239	422,763
Debt service	395,880	406,457
Total Expenses	6,976,413	6,014,901
Increase in Net Position	933,316	195,626
Net Position at Beginning of Year	5,884,688	5,689,062
Net Position at End of Year	$ 6,818,004	$ 5,884,688

The School's revenues and expenses increased by $1,1699,202 and $961,512, respectively in the current year. The School's net position increased by $933,316 during the year.

School Location and Lease of Facility

The School leases facilities located at 14901 S.W. 42nd Street, Miami, Florida 33185.

Capital Improvement Requirements

The School maintains a continuous capital improvement program to enhance facilities and update fixtures and equipment as required.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, the *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of $2,612,984. The fund balance unassigned and available for spending at the School's discretion is $2,432,751. These funds will be available for the School's future ongoing operations.

Capital Assets

The School's investment in capital assets as of June 30, 2024 amounts to $12,945,228 (net of accumulated depreciation) and right of use lease asset (building (net of accumulated amortization). This investment in capital assets includes right of use lease asset (building), improvements, and furniture, fixtures and equipment. As of June 30, 2024, the School had long-term liabilities of $10,298,989 associated to its capital assets.

The lease asset is amortized using the straight-line method over the term of the lease and the lease liability amortizes based on the effective interest method resulting in a higher liability and expense during the early years of the lease.

Governmental Fund Budget Analysis and Highlights

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Program Revenues			
Capital grants and contributions	$ 380,500	$ 382,230	$ 388,613
Federal sources	1,156,978	1,247,816	1,271,265
Federal lunch program	118,500	182,600	210,281
General Revenues			
State and local sources	5,072,383	5,240,331	5,261,384
Charge for services and other revenues	670,739	754,036	839,077
Total Revenues	7,399,100	7,807,013	7,970,620
CURRENT EXPENDITURES			
Governmental Activities			
Instruction	3,248,265	3,024,944	2,985,108
Student support services	164,612	167,356	161,022
Instructional staff training	37,000	37,000	35,314
Board	65,250	60,507	47,978
General administration	36,859	20,500	19,769
School administration	624,486	621,175	614,537
Fiscal services	79,167	78,504	77,583
Food services	299,304	248,064	230,097
Central services	116,167	114,504	109,098
Operation of plant	952,044	929,664	924,536
Maintenance of plant	256,800	249,000	230,329
Administrative technology services	48,881	43,217	41,825
Community services	500,000	500,000	499,239
Total Current Expenditures	$ 6,428,835	$ 6,094,435	$ 5,976,435

Most variances occurred as a result of the budget adopted being more conservative than actual results.

Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Ms. Ana Martinez at Academica Dade, LLC 6340 Sunset Drive, Miami, Florida 33143.

Pinecrest Preparatory Academy Charter Middle School
(A charter school under Pinecrest Academy, Inc.)

Statement of Net Position
June 30, 2024

	Primary Government
Assets	Governmental Activities
Current assets:	
Cash	$ 907,264
Investments	1,840,000
Due from other agencies	683,215
Prepaid expenses and other current assets	24,365
Total Current Assets	3,454,844
Due from other agencies, long term	676,399
Due from Pinecrest Academy, Inc.	730,000
Capital assets, non-depreciable	3,832,115
Capital assets, depreciable	4,369,464
Less: accumulated depreciation	(2,589,666)
Right of use lease asset	8,419,732
Less: accumulated amortization	(1,086,417)
	12,945,228
Total Assets	17,806,471
Deferred Outflows of Resources	-
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	441,532
Salaries and wages payable	247,946
Notes payable, current portion	65,794
Lease liability, current	228,438
Total Current Liabilities	983,710
Notes payable, long term	2,434,206
Lease liability	7,570,551
Total Liabilities	10,988,467
Deferred Inflows of Resources	-
Net Position	
Net investment in capital assets	5,146,239
Restricted	139,599
Unrestricted	1,532,166
Total Net Position	$ 6,818,004

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

Pinecrest Preparatory Academy Charter Middle School
(A charter school under Pinecrest Academy, Inc.)

Statement of Activities
For the year ended June 30, 2024

Primary Government FUNCTIONS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
Instruction	$ 3,052,664	$ -	$ 397,485	$ -	$ (2,655,179)
Student support services	161,022	-	-	-	(161,022)
Instructional staff training services	35,314	-	23,824	-	(11,490)
Board	47,978	-	-	-	(47,978)
General administration	19,769	-	-	-	(19,769)
School administration	614,537	-	58,878	-	(555,659)
Facilities acquisition and construction	149,182	-	-	-	(149,182)
Fiscal services	77,583	-	-	-	(77,583)
Food services	232,117	53,311	156,970	-	(21,836)
Central services	109,098	-	-	-	(109,098)
Operation of plant	1,308,884	-	53,788	388,613	(866,483)
Maintenance of plant	231,321	-	-	-	(231,321)
Administrative technology services	41,825	-	-	-	(41,825)
Community services	499,239	463,046	-	-	(36,193)
Debt service	395,880	-	-	-	(395,880)
Total governmental activities	6,976,413	516,357	690,945	388,613	(5,380,498)

General revenues:	
State and local sources	5,937,783
Investment earnings	336,387
Other revenues	39,644
Change in net position	933,316
Net position, beginning	5,884,688
Net position, ending	$ 6,818,004

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

Pinecrest Preparatory Academy Charter Middle School
(A charter school under Pinecrest Academy, Inc.)

Balance Sheet - Governmental Funds
June 30, 2024

	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
Assets				
Cash	$ 767,665	$ -	$ 139,599	$ 907,264
Investments	1,840,000	-	-	1,840,000
Due from other agencies	644,189	21,206	17,820	683,215
Due from other fund	39,026	-	-	39,026
Prepaid expenses and other assets	24,365	-	-	24,365
Total Assets	3,315,245	21,206	157,419	3,493,870
Deferred Outflows of Resources	-	-	-	-
Liabilities				
Accounts payable and accrued liabilities	441,532	-	-	441,532
Salaries and wages payable	247,946	-	-	247,946
Due to other fund	-	21,206	17,820	39,026
Total Liabilities	689,478	21,206	17,820	728,504
Deferred Inflows of Resources	-	-	-	-
Fund balance				
Nonspendable, not in spendable form	24,365	-	-	24,365
Restricted	-	-	139,599	139,599
Unassigned	2,601,402	-	-	2,601,402
	2,625,767	-	139,599	2,765,366
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 3,315,245	$ 21,206	$ 157,419	$ 3,493,870

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

Pinecrest Preparatory Academy Charter Middle School
(A charter school under Pinecrest Academy, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balance - Governmental Funds		$ 2,765,366
Amounts reported for governmental activities in the statement of net position are different because:		
Depreciable and non-depreciable capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the fund.		
Capital assets, non-depreciable	3,832,115	
Capital assets, depreciable	4,369,464	
Less: accumulated depreciation	(2,589,666)	
Right-to-use lease asset	8,419,732	
Less: accumulated amortization	(1,086,417)	12,945,228
Long term receivables from affiliate in governmental activities are not financial resources and therefore are not reported in the governmental fund.		1,406,399
Long term debt in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds.		(10,298,989)
Total Net Position - Governmental Activities		$ 6,818,004

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

Pinecrest Preparatory Academy Charter Middle School
(A charter school under Pinecrest Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2024

	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
Revenues:				
Capital grants and contributions	$ -	$ 388,613	$ -	$ 388,613
State and local sources	5,261,384	-	-	5,261,384
Federal Sources	-	-	1,271,265	1,271,265
Lunch program	-	-	210,281	210,281
Charges for services and other revenues	376,031	-	463,046	839,077
Total Revenues	5,637,415	388,613	1,944,592	7,970,620
Expenditures:				
Current				
Instruction	2,639,248	-	345,860	2,985,108
Student support services	161,022	-	-	161,022
Instructional staff training services	11,490	-	23,824	35,314
Board	47,978	-	-	47,978
General administration	19,769			19,769
School administration	555,659	-	58,878	614,537
Fiscal services	77,583	-	-	77,583
Food services	-	-	230,097	230,097
Central services	109,098	-	-	109,098
Operation of plant	870,748	-	53,788	924,536
Maintenance of plant	230,329	-	-	230,329
Administrative technology services	41,825	-	-	41,825
Community services	-	-	499,239	499,239
Capital Outlay:				
Other capital outlay	4,567,938	-	-	4,567,938
Debt Service:				
Redemption of Principal	-	217,320	-	217,320
Interest	-	395,880	-	395,880
Total Expenditures	9,332,687	613,200	1,211,686	11,157,573
Excess (deficit) of revenues over expenditures	(3,695,272)	(224,587)	732,906	(3,186,953)
Other financing uses:				
Transfers in (out)	528,135	224,587	(752,722)	-
Proceeds from notes payable	2,500,000	-	-	2,500,000
Net change in fund balance	(667,137)	-	(19,816)	(686,953)
Fund Balance at beginning of year	3,292,904	-	159,415	3,452,319
Fund Balance at end of year	$ 2,625,767	$ -	$ 139,599	$ 2,765,366

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

Pinecrest Preparatory Academy Charter Middle School
(A charter school under Pinecrest Academy, Inc.)
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the year ended June 30, 2024

Net Change in Fund Balance - Governmental Funds		$ (686,953)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. These amounts during the year were as follows:		
Capital Outlay	4,567,938	
Depreciation and amortization expense	(604,098)	3,963,840
Revenues are recognized using the full accrual basis of accounting in the government-wide statements. However, revenues are recognized when they are measurable and available in the governmental funds. These revenues did not meet the recognition criteria during the current year and, therefore, were not reported in the governmental funds.		(60,891)
Increase in long term debt is revenue in the governmental funds, but a decrease or repayment of such payables reduces liabilities in the statement of net position.		
Long-term debt issued, net	(2,500,000)	
Principal payments on long-term debt	217,320	(2,282,680)
Change in Net Position of Governmental Activities		$ 933,316

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

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Pinecrest Preparatory Academy Charter Middle School (the "School") is a charter school sponsored by the School Board of Miami-Dade County, Florida (the "District"). The School's charter is held by Pinecrest Academy, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of Pinecrest Academy, Inc., which is composed of six members and also governs other charter schools. The board of directors has determined that no component units exist that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Miami-Dade County, Florida. The current charter expires on June 30, 2028 and it can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Miami, Florida for students from sixth through eighth grades and is funded by the District. These financial statements are for the year ended June 30, 2024, when on average 490 students were enrolled during the school year.

Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

Government-wide Financial Statements
The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements also do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services, such as food service and student activity fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay. Other revenue sources not included with program revenues are reported as general revenues. In addition, revenues not classified ad program revenues are shown ad general revenues, which include Florida Education Finance Program (FEFP) revenues, and other state and local sources.

Fund Financial Statements
Fund financial statements are provided for governmental funds and fiduciary funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds:

> *General Fund* - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.
>
> *Special Revenue Fund* – accounts for specific revenues, such as federal funding, federal lunch program, and COVID-19 emergency relief funding that are legally restricted to expenditures for particular purposes. Also, accounts for resources of the School's Internal Fund, which is used to administer monies collected in connection with school, student athletics, class, and club activities.
>
> *Capital Outlay Fund* – accounts for state and other local capital outlay as authorized by Charter School Capital Outlay, Section 1013.62.

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) Codification of Accounting and Financial Reporting Guidance. The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied. In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other state and local sources.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

Note 1 – Summary of Significant Accounting Policies (continued)

Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, nonmarketable time deposits with maturities of three months or less when purchased, and money market/savings accounts.

The School has not adopted a formal deposit and investment policy that limits the School's allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund. The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, *Fair Value Measurement and Application,* and other related standards which establish accounting and financial reporting standards for all investments (see Note 2). Money market investment that have maturities of one year or less from the date of acquisition are reported at amortized cost rather than fair value. Amortized cost closely approximates fair value.

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with cost of $1,000 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

The right to use assets are initially measure at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Estimated useful lives, in years, for depreciable assets are as follows:

Building Improvements	10-20 Years
Furniture, Fixtures, Equipment and Software	3-5 Years
Right of use asset (building)	25 Years

Note 1 – Summary of Significant Accounting Policies (continued)

Inter-fund Transfers
Inter-fund receivables/payables ("due from/to") are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Due from Other Governments or Agencies
Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Prepaid Expenses
Other assets consist mainly of prepaid expenses which are payments for goods or services that have not been consumed or used at year end. The expenditure will be recorded when the asset is used. Accordingly, prepaid expenses are equally offset by a nonspendable fund balance classification.

Compensated Absences
The School grants a specific number of personal time off. Full time instructional employees are eligible to receive one day per month up to ten days of active work during the ten-month period (a "benefit year"). In the event that available time is not used by the end of the benefit year, employees may "rollover" all unused days for use in future benefit years. Employees may "cash out" unused days for personal time off, however, employees may only cash out if they have used three days or less in that benefit year. Employees may not cash out more than ten days per school year and are required to maintain a minimum of twenty-one unused days in order to cash out. The cash out value is eighty percent of their current daily rate. There is no termination payment for accumulated unused days. Non-exempt and office salaried employees are not eligible to "cash out" unused personal time off days.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated absences available to be used in future benefits years.

Revenue Sources
Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District.

Note 1 – Summary of Significant Accounting Policies (continued)

Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made. In addition, the School receives a portion of the local operating millage revenues levied by the District (Secure our Future Referendum).

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Net Position and Fund Balance Classifications

Government-wide financial statements
Equity is classified as net position and displayed in three components:

a) Net investment in capital assets- consists of capital assets net of accumulated depreciation reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
b) Restricted net position - consists of balances with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
c) Unrestricted net position - all other balances that do not meet the definition of "restricted" or "net investment in capital assets".

Note 1 – Summary of Significant Accounting Policies (continued)

When both restricted and unrestricted resources are available for a specific purpose, it is the School's policy to use restricted resources first, until exhausted, before using unrestricted resources.

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

a) Nonspendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with prepaid expenses. All nonspendable fund balances at year end relate to not in spendable form assets.
b) Restricted – this classification includes fund balance category amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. $155,868 in restricted balances at year end pertain to unspent Secure our Future referendum revenues and $139,599 pertain to the School's lunch program.
c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
d) Assigned - fund balance classification that is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no restricted fund balances at year end.
e) Unassigned – portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Income Taxes
Pinecrest Academy, Inc. qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Note 1 – Summary of Significant Accounting Policies (continued)

Long-Term Debt and Liabilities
In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

New Accounting Standard Adopted
In fiscal year 2024, the School adopted a new statement of financial accounting standard issued by Governmental Accounting Standards Board: GASB Statement No. 100, Accounting Changes and Error Corrections. The adoption had no material effect on the School's 2024 financial statements.

Pronouncements Issued But Not Yet Effective
GASB has issued GASBS Statement No. 101, Compensating Absences. This Statement provides guidance on the accounting and financial reporting for certain types of compensated absences including parental leave, military leave, and injury duty leave. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements.

Subsequent Events
In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through February 7, 2025, which is the date the financial statements were available to be issued.

Note 2 – Cash, Cash Equivalents and Investments

Deposits
The School maintains its cash and cash equivalents in two financial institutions. Deposits at FDIC-insured institutions are insured up to $250,000 per depositor, per financial institution. The School is a charter school under Pinecrest Academy, Inc., which also operates various other charter schools.

Note 2 – Cash, Cash Equivalents and Investments (continued)

All bank accounts are opened under the account ownership of Pinecrest Academy, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2024, bank balances in potential excess of FDIC coverage were approximately $218,000.

Investments

The School follows the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets: Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

At June 30, 2024, the School had $1,840,000 invested in a governmental money market mutual fund that is exempt from GASB 72 fair value hierarchy disclosures. The governmental money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of June 30, 2024, maturities of the fund's portfolio holdings are approximately 86% within 30 days.

Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. The School manages its exposure to credit risk by limiting investments to highly rated government money market mutual funds. The fund is rated Aaa-mf by Moody's.

Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2024, all of the School's investments in government money market mutual funds were held in a separate account and designated as assets of the School.

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to government money market mutual funds that can be redeemed daily.

Note 3 –Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2024:

	Balance 07/01/23	Additions	Retirements/ Reclassifications	Balance 06/30/24
Non-depreciable Capital Assets:				
Construction in progress	$ 135,275	$ 3,696,840	$ -	$ 3,832,115
Depreciable Capital Assets:				
Buildings and improvements	3,299,424	625,027	-	3,924,451
Audiovisual materials	53,689	5,399	(1,780)	57,308
Furniture, equipment and textbooks	161,860	240,672	(14,827)	387,705
Total Capital Assets	3,650,248	4,567,938	(16,607)	8,201,579
Less Accumulated Depreciation:				
Buildings and improvements	(2,238,963)	(152,629)	-	(2,391,592)
Audiovisual materials	(24,055)	(10,909)	1,780	(33,184)
Furniture, equipment and textbooks	(101,296)	(78,421)	14,827	(164,890)
Total Accumulated Depreciation	(2,364,314)	(241,959)	16,607	(2,589,666)
Capital Assets, net	$ 1,285,934	$ 4,325,979	$ -	$ 5,611,913
Lease Assets:				
Right of use leased asset (building)	$ 8,419,732	$ -	$ -	$ 8,419,732
Less accumulated amortization:	(724,278)	(362,139)	-	(1,086,417)
Total Lease Assets being amortized, net	7,695,454	(362,139)	-	7,333,315
Governmental Activities Capital Assets, net	$ 8,981,388	$ 3,963,840	$ -	$12,945,228

For the fiscal year ended June 30, 2024, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	Depreciation	Amortization
Instruction	$ 67,556	$ -
Facilities acquisition and construction	149,182	-
Food services	2,020	-
Operation of plant	22,209	362,139
Maintenance of plant	992	-
Total Expense	$ 241,959	$ 362,139

Note 4 – Due from Other Agencies

The following is due from other agencies as of June 30, 2024:

Funding Source	Governmental Fund	Balance
Due from Miami-Dade County Public Schools, referendum	General Fund	$ 644,189
ESSER III	Special Revenue Fund	17,820
Capital Outlay	Capital Projects Fund	21,206
Total due from other agencies, current		$ 683,215
Due from Miami-Dade County Public Schools, referendum, long-term portion		676,399
Total Due from Other Agencies		$ 1,359,614

Note 5 –Education Service and Support Provider

Academica Dade, LLC, an education service and support provider, offers administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting and virtual education services. The agreement calls for a fee on a per student basis. The agreement is with Pinecrest Academy, Inc through June 30, 2028, and unless terminated by the board will have the option to renew for an additional five-year period. During the year ended June 30, 2024, the School incurred $232,750 in fees.

Note 6 – Transactions with other divisions of Pinecrest Academy, Inc.

The School currently shares its campus with Pinecrest Preparatory Academy Charter High School (a charter school under Pinecrest Academy, Inc.) ("Pinecrest High"). Management allocates a proportionate share of facility costs, salaries, supplies, and other expenses to each school individually based on student enrollment and usage of resources. In addition, Pinecrest High's student activities account is recorded in the School's books. The School's lunch program is also shared with Pinecrest High. Revenues and expenses related to such program have been allocated based on FTE equivalent for purposes of presentation in the financial statements.

Pinecrest Academy, Inc. charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. The School paid Pinecrest Academy, Inc. $73,425 in connection with these charges during the year.

The School made long term non-interest bearing advances to Pinecrest Academy, Inc. with no set maturity date. The following schedule provides a summary of changes in long term advances for the year ended June 30, 2024:

Note 6 – Transactions with other divisions of Pinecrest Academy, Inc. (continued)

	Balance 07/01/23	Advances	Collections	Balance 06/30/24
Due from Pinecrest Academy, Inc.	$ 730,000	$ -	$ -	$ 730,000
Total Long Term Receivables	$ 730,000	$ -	$ -	$ 730,000

Note 7 – Long Term Liabilities

On November 1, 2013, Pinecrest Academy, Inc. (PAI) acquired the facility located at 14901 SW 42nd Street ("Facility") which houses Pinecrest Preparatory Academy Charter Middle School and Pinecrest Preparatory Academy Charter High School under a lease purchase option, for the purposes of continuing the operations of the High School and the Middle School.

On July 23, 2014, Pinecrest Academy, Inc. entered into a Financing Agreement ("Agreement") with a Lender and the Miami-Dade County Industrial Development Authority ("Issuer") whereby the Issuer issued Industrial Development Revenue Bonds (Pinecrest Academy Project), Series 2014 in order to finance the acquisition, construction and renovations of the Pinecrest Middle/High 14901 facility and the Pinecrest Cove 4301 facility. All of the School's revenues (except for revenues restricted or assigned for specific programs) are pledged to the lease and security agreement for the outstanding principal and interest balance until maturity. The revenues pledged during the school year ended June 30, 2023, exceeded the required principal and interest for that period.

Based on a usage fee agreement between the Middle and High Schools and PAI, the Schools will pay to PAI a fixed rate per year, payable on a monthly basis and be responsible for the payment of all costs of improvement to the property from time to time, all costs of insurance and other property costs as determined necessary by the board of directors. The payments were allocated as follows; approximately 50% was paid by the High School and 50% was paid by the School.

The School has recorded a lease right of use asset and liability and at the time of the initial measurement, there was no interest rate specified in the original lease agreement. The lease right of use asset and liability were allocated between the School and Pinecrest Preparatory Charter High School based on enrollment and usage of facility. As such, initial measurement to record the intangible right to use this asset and the lease liability was based on the present value of the remaining annual debt service requirements of the bond discounted at the bond's average interest rate of 5%. The outstanding balance of the total bond as of June 30, 2024was approximately $25,555,000.

Note 7 – Long Term Liabilities (Continued)

For the year ended June 30, 2024, interest expense totaled $395,880 as it relates to its lease agreements. Annual requirements to amortize the lease liability and related interest are as follows:

Year	Principal	Interest	Total	
2025	$ 228,438	$ 384,762	$ 613,200	
2026	240,126	373,074	613,200	
2027	252,411	360,789	613,200	
2028	265,325	347,875	613,200	
2029	278,899	334,301	613,200	
2030-2034	1,623,705	1,442,295	3,066,000	Total for a five year period
2035-2039	2,083,796	982,204	3,066,000	Total for a five year period
2040-2044	2,674,257	391,743	3,066,000	Total for a five year period
2045	152,032	1,269	153,301	
	$ 7,798,989	$ 4,618,312	$ 12,417,301	

Changes in long term lease liabilities during the year are as follows:

	Balance 07/01/23	Additions	Decreases	Balance 06/30/24
Lease liability	$8,016,309	$ -	$217,320	$7,798,989
	$8,016,309	$ -	$217,320	$7,798,989

In April 2024, the School received a promissory note in the amount of $2,500,000 with annual principal payments and semiannual interest payments at 6%. The note matures on April 1, 2029, where the unpaid principal and any accrued interest will be due. Changes in notes payable during the year are as follows:

	Balance 07/01/23	Proceeds	Repayments	Balance 06/30/24
Notes Payable	$ -	$ 2,500,000	$ -	$2,500,000
Total Notes Payable	$ -	$ 2,500,000	$ -	$2,500,000

Annual requirements to amortize the lease liability and related interest are as follows:

Year	Principal	Interest	Total
2025	$ 65,794	$ 156,905	$ 222,699
2026	69,939	153,014	222,953
2027	74,346	148,414	222,760
2028	79,030	143,910	222,940
2029	2,210,891	138,325	2,349,216
	$ 2,500,000	$ 740,568	$ 3,240,568

Note 8 –Commitments, Contingencies and concentrations

The School receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School participates in a number of federal, state and local grants which are subject to financial and compliance audits. It is the opinion of management that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 2% of the qualifying revenues of the School. For the year ended June 30, 2024 administrative fees withheld by the School District totaled $38,126.

As of June 30, 2024, the School had uncompleted construction contracts in progress related to construction at its School facility. As of June 30, 2024, there was approximately $529,000 to complete the contract of which approximately $214,0000 is included in accounts payable of Pinecrest Preparatory Academy Charter Middle School and $315,000 is included in accounts payable of Pinecrest Preparatory Academy Charter High School.

Note 9 – Interfund Transfers

Interfund transfers in governmental funds consist of the following:	General Fund	Capital Projects Fund	Special Revenue Fund
To fund internal account deficit	$ (36,193)	$ -	$ 36,193
To fund debt service payments	(224,587)	224,587	-
To reimburse general fund for prior period expenditures	788,915	-	(788,915)
Total Transfers, net	$ 528,135	$ 224,587	$ (752,722)

Due from / (Due to) fund balances are as follows:	General Fund	Capital Projects Fund	Special Revenue Fund
Due to general fund from capital projects fund for capital outlay	$ 21,206	$ (21,206)	$ -
Due to general fund from special revenue fund for federal grants	17,820	-	(17,820)
Total Due from/(Due to)	$ 39,026	$ (21,206)	$ (17,820)

Note 10 – Risk Management

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past years. In addition, there were no reductions in insurance coverage from those in the prior three years.

The School has entered into a strategic relationship with ADP TotalSource, Inc., a human resource management firm, typically known as "Professional Employer Organization" (PEO).Under a co-employment agreements, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management. Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions.

Note 11 – Defined Contribution Retirement Plan

The School's personnel, which are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the "Plan"), the School provides a match of 100% of the employee's contribution up to 4% of the employee's compensation. The School contributed to the Plan $52,141 for the year ended June 30, 2024. The School does not exercise any control or fiduciary responsibility over the Plans' assets, which are administered by Voya Financial.

Note 12 – Restatement

The restricted net position and restricted general fund balance as originally reported in the financial statements dated February 7, 2025, has been restated to correct a misstatement due to a mathematical error in the 2023-2024 referendum expenditure note. The effect of the misstatement is as follows:

	Fiscal Year June 30, 2024 Original	Effect	Fiscal Year June 30, 2024 Restated
Restricted net position balance	$ 295,467	$ (155,868)	$ 139,599
Restricted fund balance	$ 295,467	$ (155,868)	$ 139,599

Note 13 – Referendum

On November 6, 2018, and November 8, 2022, the voters of Miami-Dade approved and renewed, respectively, the Secure Our Future Referendum to raise/maintain teacher compensation and improve school safety and security. The Miami-Dade County School District shares a portion with charter schools. The District entered into a settlement agreement with the School for the 2018 Referendum funds not received for the 2019-2020; 2020-2021; 2021-2022 school years. The District agreed to pay these funds totaling $1,320,587 (including interest) to the School in two installments in August 2024 and July 2025.

	2022-2023
Funds Allocation	$ 482,033
Less: Actual Expenditures	(235,866)
Rollover revenues as of June 30, 2023	$ 246,167
Funds Re-Allocated from charter holder based on actual expenditures	(87,710)
Less: Actual Expenditures	(158,457)
Restricted 2022-2023 Referendum as of June 30, 2024	$ -

	2023-2024
Actual Allocation	$ 713,257
Less: 2023-2024 Contingency	(22,880)
2023-2024 Referendum Funds, net of contingency	690,377
Less: Actual Expenditures	(690,377)
Restricted 2023-2024 Referendum as of June 30, 2024	$ -

Total Referendum Revenue Recognized for Allowable Expenditures:	
2022-2023 Referendum Funds	$ 158,457
2023-2024 Referendum Funds, net of contingency	677,594
2018 Referendum Settlement Agreement, excluding interest of $223,329	1,097,258
Total per Government-Wide Statement of Activities	1,933,309
Less: Due from Miami-Dade County Public Schools, referendum, long-term portion	(676,399)
Total per Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	$ 1,256,910

REQUIRED SUPPLEMENTARY INFORMATION

Pinecrest Preparatory Academy Charter Middle School
(A charter school under Pinecrest Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2024

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State and local sources	$ 5,072,383	$ 5,240,331	$ 5,261,384
Charges for services and other revenues	320,639	350,535	376,031
Total Revenues	5,393,022	5,590,866	5,637,415
EXPENDITURES			
Current:			
Instruction	2,709,787	2,661,228	2,639,248
Student support services	164,612	167,356	161,022
Instructional staff training services	12,000	12,000	11,490
Board	65,250	60,507	47,978
General administration	36,859	20,500	19,769
School administration	564,286	560,975	555,659
Fiscal services	79,167	78,504	77,583
Central services	116,167	114,504	109,098
Operation of plant	891,067	873,819	870,748
Maintenance of plant	256,800	249,000	230,329
Administrative technology services	48,881	43,217	41,825
Total Current Expenditures	4,944,876	4,841,610	4,764,749
Excess of Revenues Over Current Expenditures	448,146	749,256	872,666
Capital Outlay:			
Other Capital Outlay	4,580,800	4,580,800	4,567,938
Total Expenditures	9,525,676	9,422,410	9,332,687
Excess of Revenues Over Expenditures	(4,132,654)	(3,831,544)	(3,695,272)
Other financing uses:			
Transfers in (out)	(91,081)	350,122	528,135
Proceeds from notes payable	2,500,000	2,500,000	2,500,000
Net change in fund balance	(1,723,735)	(981,422)	(667,137)
Fund Balance at beginning of year	3,292,904	3,292,904	3,292,904
Fund Balance at end of year	$ 1,569,169	$ 2,311,482	$ 2,625,767

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Pinecrest Preparatory Academy Charter Middle School
(A charter school under Pinecrest Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2024

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	$ 1,156,978	$ 1,247,816	$ 1,271,265
Lunch program	118,500	182,600	210,281
Charges for services and other revenues	350,100	403,501	463,046
Total Revenues	1,625,578	1,833,917	1,944,592
EXPENDITURES			
Current:			
Instruction	538,478	363,716	345,860
Instructional staff training services	25,000	25,000	23,824
School administration	60,200	60,200	58,878
Food services	299,304	248,064	230,097
Community services	500,000	500,000	499,239
Operation of Plant	60,977	55,845	53,788
Total Current Expenditures	1,483,959	1,252,825	1,211,686
Excess (Deficit) of Revenues Over Current Expenditures	141,619	581,092	732,906
Capital Outlay:			
Other Capital Outlay	-	-	-
Total Capital Outlay	-	-	-
Total Expenditures	1,483,959	1,252,825	1,211,686
Excess (deficit) of revenues over expenditures	141,619	581,092	732,906
Other financing uses:			
Transfers in (out)	(141,619)	(581,092)	(752,722)
Net change in fund balance	-	-	(19,816)
Fund Balance at beginning of year	159,415	159,415	159,415
Fund Balance at end of year	$ 159,415	$ 159,415	$ 139,599

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

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
Pinecrest Preparatory Academy Charter Middle School
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Pinecrest Preparatory Academy Charter Middle School (the "School") as of, and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated February 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Report onCompliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We issued a separate management letter dated February 7, 2025 pursuant to Chapter 10.850, Rules of the Auditor General.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HLB Gravier, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
February 7, 2025

MANAGEMENT LETTER

To the Board of Directors of
Pinecrest Preparatory Academy Charter Middle School
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Pinecrest Preparatory Academy Charter Middle School, Florida, as of and for the fiscal year ended June 30, 2024 and have issued our report thereon dated February 7, 2025.

Auditor's Responsibility

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; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' 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 February 7, 2025, 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 in the preceding annual audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Pinecrest Preparatory Academy Charter Middle School, 6022.

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 Pinecrest Preparatory Academy Charter Middle School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that Pinecrest Preparatory Academy Charter Middle School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter 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 Pinecrest Preparatory Academy Charter Middle School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Pinecrest Preparatory Academy Charter Middle School 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, 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 warrants the attention of those charged with governance. In connection with our audit, we had no 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, School Board of Miami-Dade County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

HLB Grassi, LLP

Coral Gables, Florida
February 7, 2025

CERTIFIED PUBLIC ACCOUNTANTS