Pinecrest Academy Space Coast
WL# 6558

(A Charter School under Pinecrest Academy, Inc. and
Component Unit of the School Board
of Brevard County, Florida)

Viera, Florida

Financial Statements and
Independent Auditors' Report

June 30, 2024

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Pinecrest Academy Space Coast
WL #6558

7550 Stadium Parkway
Viera, FL 32940

2023-2024

SCHOOL ADMINISTRATION

Heather Barringer, Principal
Jessica Brown, Principal, Effective 08/01/2024

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Pinecrest Academy Space Coast
Viera, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Pinecrest Academy Space Coast (the "School"), a charter school under Pinecrest Academy, Inc. which is a component unit of the School Board of Brevard County 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 Auditors' 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 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.

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 31 through 32 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 August 30, 2024 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 Gravier, LLP

Coral Gables, Florida
August 30, 2024

CERTIFIED PUBLIC ACCOUNTANTS

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

The corporate officers of the Pinecrest Academy Space Coast (the "School") 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 $666,356.
2. At year-end, the School had current assets of $2,010,543.
3. The School had an increase in its net position of $155,962 during the year.
4. The unassigned fund balance at year end was $1,082,793.

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 period. 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 - 30 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, assets exceeded liabilities by $666,356 at the close of the fiscal year. A summary of the School's net position as of June 30, 2024 and 2023 is as follows:

	2024	2023
Cash	$ 229,939	$ 218,934
Investments	1,180,000	456,000
Prepaid expenses and other current assets	310,387	236,190
Due from other agencies	290,217	346,908
Capital and right of use capital assets, net	24,953,581	11,982,259
Total Assets	26,964,124	13,240,291
Deferred outflows of resources	-	-
Accounts payable	197,147	32,775
Salaries and wages payable	224,607	145,563
Due to Pinecrest Academy, Inc.	-	300,000
Long term debt	23,893	34,320
Due to landlord	-	104,906
Lease liability	25,852,121	12,112,333
Total Liabilities	26,297,768	12,729,897
Deferred inflows of resources	-	-
Net Position:		
Net investment in capital assets	(922,433)	(569,300)
Unrestricted	1,588,789	1,079,694
Total Net Position	$ 666,356	$ 510,394

At the end of the fiscal year, the School is able to report positive balances in total Net Position.

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

	2024	2023
REVENUES		
Program Revenues		
Operating grants and contributions	$ 982,076	$ 637,040
Capital grants and contributions	1,056,947	441,637
Lunch program	165,171	199,316
Charges for services	161,958	163,961
General Revenues		
State and local sources	6,022,156	5,655,415
Other revenues	1,023,602	53,403
Total Revenues	$ 9,411,910	$ 7,150,772
EXPENSES		
Governmental Activities:		
Instruction	$ 4,259,924	$ 3,233,802
Student support services	109,639	66,093
Instructional staff training	17,903	33,813
Board	33,643	39,988
School administration	698,219	679,851
Fiscal services	104,091	100,950
Food services	206,110	204,332
Central services	145,019	146,401
Student transportation services	6,514	-
Operation of plant	2,128,490	1,278,811
Maintenance of plant	88,577	104,814
Administrative technology services	53,588	44,588
Community services	111,492	101,246
Debt service	1,292,739	815,528
Total Expenses	9,255,948	6,850,217
Change in Net Position	155,962	300,555
Net Position at Beginning of Year	510,394	209,839
Net Position at End of Year	$ 666,356	$ 510,394

The School's revenues and expenses increased by $2,261,138 and $2,405,731, respectively with an increase in net position of $155,962.

School Location and Lease of Facility

The School leases a facility located at 7550 Stadium Parkway Viera, FL 32940.

Capital Improvement Requirements

The School maintains a continuous capital improvements 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 $1,393,180. The fund balance unassigned and available for spending at the School's discretion is $1,082,793. 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 $655,605 (net of accumulated depreciation) and right of use lease asset (building) $24,297,976 (net of accumulated amortization). This investment in capital assets includes right of use lease asset (building), furniture, fixtures and equipment. As of June 30, 2024, the School had long term liabilities of $25,876,014 associated to its capital assets.

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	$ 411,720	$ 430,952	$ 431,449
Federal sources	1,141,946	1,202,483	1,287,496
Lunch program	77,600	115,700	165,171
General Revenues			
State and local source	6,477,773	6,618,472	6,647,654
Charges and other revenues	1,038,872	1,082,144	1,185,560
Total Revenues	$ 9,147,911	$ 9,449,751	$ 9,717,330
CURRENT EXPENDITURES			
Governmental Activities			
Instruction	$ 4,025,561	$ 3,991,686	$ 3,945,267
Student support services	146,803	130,128	109,639
Instructional staff training	20,500	20,500	17,903
Board	40,438	38,563	33,643
School administration	708,711	703,330	695,974
Fiscal services	111,625	104,708	104,091
Food services	211,292	230,742	206,110
Central services	159,625	145,708	145,019
Student transportation services	8,000	8,000	6,514
Operation of plant	1,933,072	1,919,956	1,911,311
Maintenance of plant	111,000	95,000	86,528
Administrative technology services	84,002	68,941	53,588
Community services	150,000	160,000	111,492
Total Current Expenditures	$ 7,710,629	$ 7,617,262	$ 7,427,079

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 Broward, LLC, 6340 Sunset Drive, Miami, Florida 33143.

Pinecrest Academy Space Coast
(A charter school under Pinecrest Academy, Inc.)

Statement of Net Position
June 30, 2024

	Primary Government
Assets	Governmental Activities
Current assets:	
Cash	$ 229,939
Investments	1,180,000
Prepaid expenses and other current assets	310,387
Due from other agencies	290,217
Total Current Assets	2,010,543
Capital assets, net:	
Capital assets, depreciable	1,767,354
Less: accumulated depreciation	(1,111,749)
Right of use lease asset	25,816,600
less: accumulated amortization	(1,518,624)
	24,953,581
Total Assets	26,964,124
Deferred Outflows of Resources	-
Liabilities	
Current liabilities:	
Accounts payable	197,147
Salaries and wages payable	224,607
Lease liability, current	590,045
Current portion of long term debt	10,797
Total Current Liabilities	1,022,596
Lease liability	25,262,076
Long term debt	13,096
Total Liabilities	26,297,768
Deferred Inflows of Resources	-
Net Position	
Net investment in capital assets	(922,433)
Unrestricted	1,588,789
	$ 666,356

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

Pinecrest Academy Space Coast
(A charter school under Pinecrest Academy, Inc.)

Statement of Activities
For the year ended June 30, 2024

		Program Revenues			
Primary Government:	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue and Changes in Net Position**
Governmental activities:					
Instruction	$ 4,259,924	$ -	$ 852,729	$ -	$ (3,407,195)
Student support services	109,639	-	23,082	-	(86,557)
Instructional staff training	17,903	-	4,266	-	(13,637)
Board	33,643	-	-	-	(33,643)
School administration	698,219	-	3,000	-	(695,219)
Fiscal services	104,091	-	-	-	(104,091)
Food services	206,110	81,295	83,876	-	(40,939)
Central services	145,019	-	-	-	(145,019)
Student transportation services	6,514	-	-	-	(6,514)
Operation of plant	2,128,490	-	70,480	1,056,947	(1,001,063)
Maintenance of plant	88,577	-		-	(88,577)
Administrative technology services	53,588	-	28,519	-	(25,069)
Community services	111,492	161,958	-	-	50,466
Debt service	1,292,739	-	-	-	(1,292,739)
Total governmental activities	9,255,948	243,253	1,065,952	1,056,947	(6,889,796)

General revenues:	
State and local sources	6,022,156
Investment earnings and other revenues	1,023,602
Change in net position	155,962
Net position, beginning	510,394
Net position, ending	$ 666,356

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

Pinecrest Academy Space Coast
(A charter school under Pinecrest Academy, Inc.)

Balance Sheet - Governmental Funds
June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash	$ 34,330	$ 195,609	$ -	$ 229,939
Investments	1,180,000	-	-	1,180,000
Due from other agencies		262,460	27,757	290,217
Due from fund	290,217	-	-	290,217
Prepaid expenses and other assets	310,387	-	-	310,387
Total Assets	1,814,934	458,069	27,757	2,300,760
Deferred Outflows of Resources	-	-	-	-
Liabilities				
Accounts payable	197,147	-	-	197,147
Salaries and wages payable	224,607	-	-	224,607
Due to fund	-	262,460	27,757	290,217
Total Liabilities	421,754	262,460	27,757	711,971
Deferred Inflows of Resources	-	-	-	-
Fund balance				
Nonspendable, not in spendable form	310,387	-	-	310,387
Assigned	-	195,609	-	195,609
Unassigned	1,082,793	-	-	1,082,793
	1,393,180	195,609	-	1,588,789
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 1,814,934	$ 458,069	$ 27,757	$ 2,300,760

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

Pinecrest Academy Space Coast
(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		$ 1,588,789
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, depreciable	1,767,354	
Less: accumulated depreciation	(1,111,749)	
Right-of-use lease asset	25,816,600	
Less: accumulated amortization	(1,518,624)	24,953,581
Long term debt in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds.		(25,876,014)
Total Net Position - Governmental Activities		$ 666,356

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

Pinecrest Academy Space Coast
(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	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
Capital grants and contributions	$ -	$ -	$ 431,449	$ 431,449
State and local sources	6,022,156	-	625,498	6,647,654
Federal sources	-	1,287,496	-	1,287,496
Lunch program	-	165,171	-	165,171
Charges and other revenue	1,023,602	161,958	-	1,185,560
Total Revenues	7,045,758	1,614,625	1,056,947	9,717,330
Expenditures:				
Current				
Instruction	3,337,806	607,461	-	3,945,267
Student support services	53,357	56,282	-	109,639
Instructional staff training	13,474	4,429	-	17,903
Board	33,643	-	-	33,643
School administration	692,974	3,000	-	695,974
Fiscal services	104,091	-	-	104,091
Food services	-	206,110	-	206,110
Central services	145,019	-	-	145,019
Student transportation services	6,514	-	-	6,514
Operation of plant	1,215,333	70,480	625,498	1,911,311
Maintenance of plant	86,528	-	-	86,528
Administrative technology services	25,059	28,529	-	53,588
Community services	-	111,492	-	111,492
Capital Outlay:				
Right of use lease aset	-	-	13,274,414	13,274,414
Other capital outlay	65,763	167,275	-	233,038
Debt Service:				
Redemption of principal	-	-	12,076,812	12,076,812
Interest	-	-	1,292,739	1,292,739
Total Expenditures	5,779,561	1,255,058	27,269,463	34,304,082
Excess (deficit) of revenues over expenditures	1,266,197	359,567	(26,212,516)	(24,586,752)
Other financing sources (uses)				
Transfers in (out)	(191,721)	(309,101)	500,822	-
Repayment of advances	(300,000)	-	-	(300,000)
Increase in lease liability	-	-	25,816,600	25,816,600
Repayment of deferred rent CPI	-	-	(104,906)	(104,906)
Payment of long term debt	(10,427)	-	-	(10,427)
Net change in fund balance	764,049	50,466	-	814,515
Fund Balance at beginning of year	629,131	145,143	-	774,274
Fund Balance at end of year	$ 1,393,180	$ 195,609	$ -	$ 1,588,789

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

Pinecrest Academy Space Coast
(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		$ 814,515
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. The following are these amounts for the year:		
Capital Outlay	233,038	
Right of use lease asset capital outlay, net	13,274,414	
Depreciation and amortization expense	(536,130)	12,971,322
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.		(305,420)
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.		
Decreases in long term liabilities		12,492,145
Increases in long term liabilities		(25,816,600)
Change in Net Position of Governmental Activities		$ 155,962

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

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Pinecrest Academy Space Coast (the "School"), is a charter school and component unit of the School Board of Brevard 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 Schools’ 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 Brevard County, Florida. The current charter expires on June 30, 2025 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 Viera, Florida for students from kindergarten through eighth grade and is funded by the District. These financial statements are for the year ended June 30, 2024, when on average 655 students were enrolled for 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 these categories.

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 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. 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. 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 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.
>
> *Capital Projects Fund* – accounts for state and other local capital funds as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes.
>
> *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.

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*.

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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.

Inter-fund Transfers

The School operates one lunch site that is part of the charter holder’s National School Lunch program. During the year, the combined operations of all sites operated at a deficit that was funded by the general fund. Accordingly, any deficit or excess in an individual charter school is transferred to the general fund. In addition, inter-fund transfers may also include reimbursements between funds for payments made by one fund on behalf of another fund. These transfers may result in short-term inter-fund receivables/payables (“due from/to”).

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, non-marketable 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.

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

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.

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 sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds.

Note 1 – Summary of Significant Accounting Policies (continued)

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:

Right of use asset (building)	18 Years
Furniture, equipment & audio visual	5 Years
Textbooks and Software	3 Years

Compensated Absences
The School grants a specific number of personal time off. Full time instructional employees are eligible to one day per month to 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. There is an opportunity to "cash out" unused days for personal time off, however, the employees may only cash out if they have used three days or less of their sick leave in that benefit year.

Employees may not cash out more than ten days per school year and are required to always 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. 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.

Note 1 – Summary of Significant Accounting Policies (continued)

Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted FTE students reported by the School during the designated FTE 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.

In addition, 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. The School may receive a portion of the local capital improvements 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 (unless the proceeds are restricted, committed, or assigned). 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. There were no restricted fund balances at year end.
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 were 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. As of year end assigned fund balances pertain to the School's internal account.
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.

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.

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.

Subsequent Events
In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through August 30, 2024, which is the date the financial statements were available to be issued.

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 2023, 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 School is currently evaluating the effect that implementation of the new standard will have on its financial statements. 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.

Note 2 – Cash, Cash Equivalents and Investments

Deposits

The School maintains its cash and cash equivalents in one financial institution. 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. 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 $233,000.

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 $1,600,000 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.

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

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	Reclassifications/ Retirements	Balance 06/30/24
Depreciable Capital Assets:				
Audiovisual	$ 97,682	$ -	$ -	$ 97,682
Furniture, equipment and textbooks	1,439,007	233,038	(2,373)	1,669,672
Total Capital Assets	$ 1,536,689	$ 233,038	$ (2,373)	$ 1,767,354
Less Accumulated Depreciation:				
Audiovisual	(57,021)	(19,536)	-	(76,557)
Furniture, equipment and textbooks	(719,365)	(318,200)	2,373	(1,035,192)
Total Accumulated Depreciation	(776,386)	(337,736)	2,373	(1,111,749)
Capital Assets, net	$ 760,303	$ (104,698)	$ -	$ 655,605
Lease Assets:				
Right of use lease asset (building)	12,542,186	$ 25,816,600	$ (12,542,186)	$ 25,816,600
Less accumulated amortization	(1,320,230)	(1,518,624)	1,320,230	(1,518,624)
Total Lease asset being amortized, net	$ 11,221,956	$ 24,297,976	$ (11,221,956)	$ 24,297,976
Governmental Activities Capital Assets,net	$ 11,982,259	$ 24,193,278	$ (11,221,956)	$ 24,953,581

Note 3 –Capital Assets (continued)

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	$ 314,657	$ -
School administration	2,245	-
Operation of plant	18,785	1,518,624
Maintenance of plant	2,049	-
Total Expense	$ 337,736	$ 1,518,624

Note 4 –Education Service and Support Provider

Academica Broward, 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. for a period of five years, through June 30, 2028, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2024, the School incurred $311,125 in fees of which approximately $79,000 was included in accounts payable as of year end.

Note 5 – Transactions With Other Divisions of Pinecrest Academy, Inc.

The School received long-term, non-interest bearing advances from Pinecrest Academy, Inc. for working capital purposes. These advances are secured by the school's fixed assets.

The following schedule provides a summary of changes in long-term advances from related parties for the year ended June 30, 2024:

	Balance 07/01/23	Advances	Repayment	Balance 06/30/24
Pinecrest Academy, Inc.	$ 300,000	$ -	$ (300,000)	$ -
Total Long Term Advances Payable	$ 300,000	$ -	$ (300,000)	$ -

Pinecrest Academy, Inc. charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. The School paid Pinecrest Academy, Inc. approximately $98,250 in connection with these charges during the year.

Note 5 – Transactions With Other Divisions of Pinecrest Academy, Inc. (continued)

Recoverable Grant

The School has received $400,000 in recoverable grants from Pinecrest Academy, Inc. The purpose of these grants is for the School to fund operating expenses. Under the terms of the grant, the School would repay the corporate account of Pinecrest Academy, Inc. in the event the School experiences a surplus of its operating budget for any period ending on June 30, following the execution of the agreement. The maximum the School may be required to pay in the future should the School meet the requirements for repayment is $400,000.

Note 6 – Long Term Liabilities

The School entered into a lease and security agreement with School Property Development Brevard, LLC, for its approximately 41,306 square feet facility including all ancillary facilities, outdoor areas and other improvements. The lease agreement was amended during the year ended June 30, 2024, to include an additional 37,525 square feet for a total of 78,831 rentable square feet. The landlord is an affiliate of the School's education service and support provider (See Note 4). Annual payments under this agreement are adjusted annually based on the Consumer Price Index (CPI) plus additional property costs including repairs, maintenance and insurance. The agreement continues through June 30, 2040 with option to renew for two additional periods of five years each. The agreement provides for enrollment period discounts for the first three years of the lease. Under the agreement, the School must meet certain covenants and requirements, including a "Fixed Charge Coverage Ratio" of not less than 1.10 to 1.00.

At the time of the initial measurement, there was no interest rate specified in the original lease agreement. The School has used an average effective interest for several borrowings during FY 2021 and 2022. The average borrowing rate was 5% which was used to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability.

For the year ended June 30, 2024, interest expense totaled $1,291,637, as it relates to its lease agreement.

Note 6 – Long Term Liabilities (continued)

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

Year	Principal	Interest	Total	
2025	590,045	1,279,206	$ 1,869,251	
2026	1,160,502	1,236,749	2,397,251	
2027	1,219,876	1,177,375	2,397,251	
2028	1,282,287	1,114,964	2,397,251	
2029	1,347,891	1,049,360	2,397,251	
2030-2034	7,847,192	4,139,062	11,986,254	(Total for five year period)
2035-2039	10,070,761	1,915,492	11,986,253	(Total for five year period)
2040	2,333,567	63,683	2,397,250	
	$ 25,852,121	$11,975,891	$ 37,828,012	

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

	Balance 07/01/23	Additions	Deletions	Balance 06/30/24
Lease liability	$ 12,112,333	$ 25,816,600	$(12,076,812)	$ 25,852,121
Deferred rent CPI	104,906	-	(104,906)	-
	$ 12,217,239	$ 25,816,600	$(12,181,718)	$ 25,852,121

Note 7 – Commitments, Contingencies, and Concentrations

Contingencies and Concentrations

The School receives substantially all of its funding from the State through 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 5% of the qualifying revenues of the School. For the year ended June 30, 2024, administrative fees withheld by the School District totaled $38,554.

Note 8 – Long Term Notes Payable

Pinecrest Academy, Inc. obtained a term loan from Regions bank in the amount of $52,362. This note matures on August 2026 and accrues interest at 3.85%. This note is secured by certain of the School's capital assets. The following summarizes the activity during the year:

	Balance 07/01/23	Advances	Repayment	Balance 06/30/24
Regions bank loan	$ 34,320	$ -	$ (10,427)	$ 23,893
Total Long Term Advances Payable	$ 34,320	$ -	$ (10,427)	$ 23,893

Future minimum payments under the loan are as follows:

Year	Principal	Interest
2025	10,797	732
2026	11,220	309
2027	1,876	9
	$ 23,893	$ 1,050

Note 9 – Interfund Transfers

Interfund transfers in governmental funds consist of the following:	General Fund	Special Revenue Fund	Capital Projects Fund
To fund debt service payments	$ (500,822)	$ -	$ 500,822
To fund lunch deficit	(40,939)	40,939	-
To reimburse general fund for prior period expenditures	350,040	(350,040)	-
Total Transfers, net	$ (191,721)	$ (309,101)	$ 500,822

Due from/(Due to) balances consist of the following:	General Fund	Special Revenue Fund	Capital Projects Fund
Due to General Fund from Capital Projects Fund for capital outlay	$ 27,757	$ -	$ (27,757)
Due to General Fund from Special Revenue Fund for ESSER grants	262,460	(262,460)	-
Total Due from/(Due to)	$ 290,217	$ (262,460)	$ (27,757)

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 year.

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 $48,259 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.

REQUIRED SUPPLEMENTARY INFORMATION

Pinecrest Academy Space Coast
(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 passed through local	$ 5,852,275	$ 5,992,974	$ 6,022,156
Charges and other revenue	896,936	927,844	1,023,602
Total Revenues	6,749,211	6,920,818	7,045,758
EXPENDITURES			
Current:			
Instruction	3,406,721	3,376,870	3,337,806
Student support services	83,259	71,608	53,357
Instructional staff training	15,000	15,000	13,474
Board	40,438	38,563	33,643
School administration	705,711	700,330	692,974
Fiscal services	111,625	104,708	104,091
Central services	159,625	145,708	145,019
Student transportaion services	8,000	8,000	6,514
Operation of plant	1,219,672	1,211,249	1,215,333
Maintenance of plant	111,000	95,000	86,528
Administrative technology services	53,680	40,141	25,059
Total Current Expenditures	5,914,731	5,807,177	5,713,798
Excess of Revenues Over Current Expenditures	834,480	1,113,641	1,331,960
Capital Outlay	66,800	66,800	65,763
Total Expenditures	5,981,531	5,873,977	5,779,561
Excess of Revenues Over Expenditures	767,680	1,046,841	1,266,197
Other financing sources (uses):			
Transfers in (out)	(496,969)	(380,923)	(191,721)
Repayment of advances	(230,000)	(300,000)	(300,000)
Payment of long term debt	-	(10,427)	(10,427)
Net change in fund balance	40,711	355,491	764,049
Fund Balance at beginning of year	629,131	629,131	629,131
Fund Balance at end of year	$ 669,842	$ 984,622	$ 1,393,180

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 Academy Space Coast
(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	$ 1,141,946	$ 1,202,483	$ 1,287,496
Lunch program	77,600	115,700	165,171
Charges and other revenue	141,936	154,300	161,958
Total Revenues	1,361,482	1,472,483	1,614,625
EXPENDITURES			
Current:			
Instruction	618,840	614,816	607,461
Student support services	63,544	58,520	56,282
Instructional staff training	5,500	5,500	4,429
School administration	3,000	3,000	3,000
Food services	211,292	230,742	206,110
Operation of plant	80,140	75,447	70,480
Administrative technology services	30,322	28,800	28,529
Community services	150,000	160,000	111,492
Total Current Expenditures	1,162,638	1,176,825	1,087,783
Excess of Revenues Over Current Expenditures	198,844	295,658	526,842
Capital Outlay	167,500	167,500	167,275
Total Expenditures	1,330,138	1,344,325	1,255,058
Excess (Deficit) of Revenues Over Expenditures	31,344	128,158	359,567
Other financing sources (uses)			
Transfers in (out)	(31,344)	(128,158)	(309,101)
Net change in fund balance	-	-	50,466
Fund Balance at beginning of year	145,143	145,143	145,143
Fund Balance at end of year	$ 145,143	$ 145,143	$ 195,609

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.

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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*

Board of Directors of
Pinecrest Academy Space Coast
Viera, 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, each major fund, of Pinecrest Academy Space Coast (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 August 30, 2024.

Report on Internal Control Over Financial Reporting

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

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

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 August 30, 2024 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
August 30, 2024

MANAGEMENT LETTER

Board of Directors of
Pinecrest Academy Space Coast
Viera, Florida

Report on the Financial Statements

We have audited the financial statements of Pinecrest Academy Space Coast, Florida, as of and for the fiscal year ended June 30, 2024 and have issued our report thereon dated August 30, 2024.

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 August 30, 2024, 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 and recommendations in the preceding year's 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 Academy Space Coast, 6558.

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 Academy Space Coast 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 Pinecrest Academy Space Coast 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 Academy Space Coast. It is management's responsibility to monitor Pinecrest Academy Space Coast '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 Academy Space Coast 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 Academy Space Coast 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, require us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but 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, School Board of Brevard 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 Gravier, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 30, 2024