HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Pinecrest Academy Connerton
WL# 4343
(A Charter School under Pinecrest Academy, Inc.
and Component Unit of the School Board of Pasco County)

Land O' Lakes, Florida

Financial Statements and
Independent Auditors' Report

June 30, 2026

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 Statements:
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 16-30

Required Supplementary Information:
Budgetary Comparison Schedule. 31-32
Notes to Budgetary Comparison Schedules 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 Academy Connerton
WL# 4343

22672 Pleasant Plains Parkway
Land O' Lakes, Florida 34667

2025-2026

BOARD OF DIRECTORS

Carlos Alvarez, Chair, President
Shannie Sadesky, Vice Chair, Treasurer, Director
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Erin Demirjian, Director
Albert Maillo, Director, Student Alumnus
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SCHOOL ADMINISTRATION

Ms. Meredith Williamson, Principal

HLB GRAVIER, LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Pinecrest Academy Connerton
Land O' Lakes, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Pinecrest Academy Connerton (the "School"), a charter school under Pinecrest Academy, Inc., which is a component unit of the School Board of Pasco County, Florida, as of, and for the year ended June 30, 2026, 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, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 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, 2026 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 – Related Party Transactions

As described in Note 5 to the financial statements, the School relies on significant support from Pinecrest Academy, Inc. Our opinion is not modified with respect to this matter.

Emphasis of a Matter – Change in Accounting Principle

As described in Note 1 to the financial statements, effective July 1, 2025, the School adopted new accounting guidance, GASB Statement No. 103, *Financial Reporting Model Improvements*. 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 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 August 31, 2026 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.



Coral Gables, Florida
August 31, 2026

CERTIFIED PUBLIC ACCOUNTANTS

Management's Discussion and Analysis
Pinecrest Academy Connerton
(A Charter School Under Pinecrest Academy, Inc.)
June 30, 2026

The corporate officers of the Pinecrest Academy Connerton (the "School") have prepared this narrative overview and analysis of the School's financial activities for the year ended June 30, 2026.

About the School

The Pinecrest Academy Connerton completed its first year of operations having opened in 2025 and is a Pasco County public charter school serving students in kindergarten through fifth grade. The School is part of the Pinecrest Academy, Inc. network of public charter schools.

Overview of the Financial Statements

The financial statements of the School present the financial position and results of operations of the School for the fiscal year ended June 30, 2026, in accordance with generally accepted accounting principles for state and local governments.

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.

The government-wide financial statements report all assets and liabilities of the government, including both financial and nonfinancial assets and both short-term and long-term obligations. Revenues are recognized when they relate to the current reporting period, regardless of when the related cash is received, and expenses are recognized when incurred, regardless of when cash is paid. The government-wide statements also report deferred outflows and deferred inflows of resources that relate to future reporting periods. Accordingly, the government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The governmental fund financial statements focus on current financial resources. They generally report current financial assets and liabilities, such as cash, receivables, and accounts payable, rather than long-term capital assets and long-term liabilities. Revenues are recognized when they are both measurable and available to finance current-period expenditures, while expenditures generally are recognized when the related governmental fund liability is incurred, subject to certain exceptions for long-term obligations. Deferred outflows and deferred inflows reported at the governmental fund level are limited to those applicable to current financial resources. Accordingly, governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

More details about the measurement focus and basis of accounting can be found in the first note to the financial statements, the Summary of Significant Accounting Policies.

FINANCIAL SUMMARY

A summary and analysis of the School's net position as of June 30, 2026 is as follows:

	2026
Cash	$ 285,364
Prepaid expenses	17,136
Due from other agencies	823,042
Deposits receivable, long term	20,000
Capital and right of use assets, net	15,304,107
Total Assets	16,449,649
Deferred outflows of resources	-
Accounts payable and accrued liabilities	160,724
Due to Pinecrest Academy, Inc.	1,550,000
Lease liability	14,554,338
Compensated absences	89,152
Total Liabilities	16,354,214
Deferred inflows of resources	-
Net Position:	
Net investment in capital assets	749,769
Restricted	6,177
Unrestricted	(660,511)
Total Net Position	$ 95,435

The 2025-2026 school year represents the School's first year of operations; therefore, comparative analysis with the prior year is not applicable. The School ended its first year of operations with a positive net position of $95,435. At the beginning of the year, the School entered into a right of use lease agreement for its facility which resulted in an initial right of use asset and liability of $26,173,511. This lease is shared with Pinecrest Academy Connerton. See Note 6 for further information.

The components of net position were as follows: The balance in net investment in capital assets reflects the relationship between the School's net capital and right-to-use assets and the related outstanding obligations at year-end. Unrestricted net position is primarily attributable to the increase in net investment in capital assets.

A summary and analysis of the School's changes in net position for the year ended June 30, 2026 is as follows:

	2026
REVENUES	
Program Revenues	
Capital grants and contributions	$ 321,982
Operating grants and contributions	881,301
Charges for services	526,401
General Revenues	
State and local sources	3,673,815
Charges for services and other revenues	855,060
Total Revenues	$ 6,258,559
EXPENSES	
Governmental Activities:	
Instruction	$ 2,635,431
Student support services	92,318
Instructional staff training service	22,684
School Board	15,300
School administration	579,168
Fiscal services	64,600
Food services	191,020
Central services	78,192
Operation of plant	1,372,660
Maintenance of plant	222,954
Administrative technology services	50,361
Community services	175,362
Debt service	663,074
Total Expenses	6,163,124
Change in Net Position	95,435
Net Position at Beginning of Year	-
Net Position at End of Year	$ 95,435

The 2025-2026 school year represents the School's first year of operations; therefore, comparative analysis with the prior year is not applicable. The School had 408 full-time equivalent students during the school year.

The School's revenues were primarily derived from state and local funding based on student enrollment, federal grants and grants received from Pinecrest Academy, Inc. to support the establishment. The school also operates a Pre-K program and conducts fundraising activities. Expenses were primarily attributable to instruction, school administration, operation and maintenance of plant, food services, community services, and debt service.

The School ended its first year of operations with an increase in net position of $95,435.

Governmental Funds

The School reports three major funds individually in the governmental fund financial statements. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of $894,357. The fund balance unassigned and available for spending at the School's discretion is $877,221. These funds will be available for the School's future ongoing operations.

The special revenue fund reported an ending fund balance of $70,461 comprised of restricted lunch program funds of $6,177 and assigned community services fund of $64,284. The community services fund reflects the activity in the School's internal funds and accounts for the current year change in the ending fund balance.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The School's investment in capital assets and right of use lease asset (building) as of June 30, 2026 amounts to $15,304,107, net of accumulated depreciation and amortization. Capital assets include the right-to-use lease asset associated with the School's building, improvements, and furniture, fixtures and equipment. Capital asset additions consisted primarily of improvements related to court, turf, playground and other recreational areas, as well as furniture, fixtures, and equipment. Information on the School's capital assets can be found in Note 3.

The School leases a facility located at 22672 Pleasant Plains Parkway, Land O' Lakes, Florida 34667.

Long-Term Liabilities

As of June 30, 2026, the School had long-term lease liabilities of $14,554,338 associated to its right of use lease asset (building). 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.

The School has also made long-term advances to Pinecrest Academy, Inc., totaling $1,550,000 (see Note 5).

Currently Known Facts, Decisions or Conditions

Currently known facts, decisions or conditions expected to affect the School's financial position include:

- Charter renewal - The School's charter is scheduled for its renewal by the sponsoring district as its current charter expires on June 30, 2030. The School does not anticipate this affecting its ability to continue operations.
- Enrollment – enrollment is projected to be approximately 694 in fiscal year 2027.
- Changes in funding or legislative appropriations - the School receives Referendum funding to raise/maintain teacher compensation from Pasco County School District. The current renewal is set to expire on June 30, 2027.
- Major program changes or new initiatives – The school is anticipating growth of over 250 students from 25-26 to 26-27.
- Planned capital projects or financing activities – A middle/high building is in permitting and expected to open in the 2027-28 school year. With additional space, the current middle school students sharing the building with the elementary will be able to move to the new space.

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 Connerton
(A charter school under Pinecrest Academy, Inc.)

Statement of Net Position
June 30, 2026

	Governmental Activities
Assets	
Current assets:	
Cash	$ 285,364
Due from other agencies	823,042
Prepaid expenses	17,136
Total Current Assets	1,125,542
Capital assets:	
Capital assets, depreciable	1,817,516
Less: accumulated depreciation	(246,289)
Right-of-use lease asset	14,395,431
Less: accumulated amortization	(662,551)
Total Capital Assets	15,304,107
Deposits	20,000
Total Assets	16,449,649
Deferred Outflows of Resources	-
Liabilities	
Current liabilities:	
Salaries and wages payable	152,917
Accounts payable	7,807
Lease liability, current	229,995
Compensated absences, current	46,359
Total Current Liabilities	437,078
Due to Pinecrest Academy, Inc.	1,550,000
Lease liability	14,324,343
Compensated absences	42,793
Total Long-Term Liabilities	15,917,136
Total Liabilities	16,354,214
Deferred Inflows of Resources	-
Net Position:	
Net investment in capital assets	749,769
Restricted	6,177
Unrestricted	(660,511)
Total Net Position	$ 95,435

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

Pinecrest Academy Connerton
(A charter school under Pinecrest Academy, Inc.)

Statement of Activities
For the year ended June 30, 2026

		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	$ 2,635,431	$ 204,305	$ 812,338	$ -	$ (1,618,788)
Student support services	92,318	-	-	-	(92,318)
Instructional staff training service	22,684	-	-	-	(22,684)
School Board	15,300	-	-	-	(15,300)
School administration	579,168	-	-	-	(579,168)
Fiscal services	64,600	-	-	-	(64,600)
Food services	191,020	86,081	68,963	-	(35,976)
Central services	78,192	-	-	-	(78,192)
Operation of plant	1,372,660	-	-	321,982	(1,050,678)
Maintenance of plant	222,954	-	-	-	(222,954)
Administrative technology services	50,361	-	-	-	(50,361)
Community services	175,362	236,015	-	-	60,653
Debt service	663,074	-	-	-	(663,074)
Total governmental activities	6,163,124	526,401	881,301	321,982	(4,433,440)

General revenues:	
State and local sources	3,673,815
Recoverable grant	750,000
Interest income and other revenues	105,060
Change in net position	95,435
Net position, beginning	-
Net position, ending	$ 95,435

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

Pinecrest Academy Connerton
(A charter school under Pinecrest Academy, Inc.)

Balance Sheet - Governmental Funds
June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash	$ 214,903	$ 70,461	$ -	$ 285,364
Due from other agencies	-	783,701	39,341	823,042
Due from fund	823,042	-	-	823,042
Prepaid expenses	17,136	-	-	17,136
Total Assets	1,055,081	854,162	39,341	1,948,584
Deferred Outflows of Resources	-	-	-	-
Liabilities				
Salaries and wages payable	152,917	-	-	152,917
Accounts payable	7,807	-	-	7,807
Due to fund	-	783,701	39,341	823,042
Total Liabilities	160,724	783,701	39,341	983,766
Deferred Inflows of Resources	-	-	-	-
Fund balance				
Nonspendable, not in spendable form	17,136	-	-	17,136
Restricted	-	6,177	-	6,177
Assigned	-	64,284	-	64,284
Unassigned	877,221	-	-	877,221
	894,357	70,461	-	964,818
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 1,055,081	$ 854,162	$ 39,341	$ 1,948,584

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

Pinecrest Academy Connerton
(A charter school under Pinecrest Academy, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2026

Total Fund Balance - Governmental Funds		$ 964,818
Amounts reported for governmental activities in the statement of net position are different because:		
Depreciable and non-depreciable capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the fund.		
Capital assets, depreciable	1,817,516	
Less: accumulated depreciation	(246,289)	
Right of use lease asset	14,395,431	
Less: accumulated amortization	(662,551)	15,304,107
Deposits receivable are considered long term and are not financial resources and therefore are not reported in the governmental funds.		20,000
Long term liabilities in governmental activities are financial resources and therefore are not reported in the governmental funds.		(16,193,490)
Total Net Position - Governmental Activities		$ 95,435

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

Pinecrest Academy Connerton
(A charter school under Pinecrest Academy, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
Capital grants and contributions	$ -	$ -	$ 274,437	$ 274,437
State and local sources	3,673,815	-	47,545	3,721,360
Federal sources	-	812,338	-	812,338
Lunch program	-	155,044	-	155,044
Charges for services and other revenues	1,059,365	236,015	-	1,295,380
Total Revenues	4,733,180	1,203,397	321,982	6,258,559
Expenditures:				
Current				
Instruction	2,365,458	36,674	-	2,402,132
Student support services	91,659	-	-	91,659
Instructional staff training	22,684	-	-	22,684
Board	15,300	-	-	15,300
School administration	542,470	-	-	542,470
Fiscal services	64,600	-	-	64,600
Food services	-	189,621	-	189,621
Central services	78,192	-	-	78,192
Operation of plant	648,473	-	-	648,473
Maintenance of plant	222,954	-	-	222,954
Administrative technology services	48,611	-	-	48,611
Community services	-	175,362	-	175,362
Capital Outlay:				
Right of use lease asset, net	-	-	14,395,431	14,395,431
Other capital outlay	1,035,990	781,526	-	1,817,516
Debt Service:				
Redemption of Principal	-	-	(158,907)	(158,907)
Interest	-	-	663,074	663,074
Total Expenditures	5,136,391	1,183,183	14,899,598	21,219,172
Excess of revenues over expenditures	(403,211)	20,214	(14,577,616)	(14,960,613)
Other financing sources (uses)				
Transfers in (out)	(232,432)	50,247	182,185	-
Long term deposit	(20,000)	-	-	(20,000)
Long term note payment to Pinecrest, Inc.	1,550,000	-	-	1,550,000
Increase in lease liability	-	-	14,395,431	14,395,431
Net change in fund balance	894,357	70,461	-	964,818
Fund Balance at beginning of year	-	-	-	-
Fund Balance at end of year	$ 894,357	$ 70,461	$ -	$ 964,818

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

Pinecrest Academy Connerton
(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, 2026

Net Change in Fund Balance - Governmental Funds		$ 964,818
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 and amortization expense. These amounts were as follows during the year:		
Capital Outlay	1,817,516	
Right of use leased asset capital outlay	14,395,431	
Depreciation and amortization expense	(908,840)	15,304,107
Long term deposit		20,000
Increase in long term liabilities is revenue in the governmental funds, but a decrease or repayment of such payables reduces liabilities in the statement of net position. Decrease in long-term liabilities is an expenditure in the governmental funds, but decreases long term liabilities in the statement of net position. This is the amount by which long-term debt increased.		
Compensated absences	(89,152)	
Decrease in long term liabilities	(16,104,338)	(16,193,490)
Change in Net Position of Governmental Activities		$ 95,435

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

Note 1 – Summary of Significant Accounting Policies

Pinecrest Academy Connerton (the "School"), is a charter school and component unit of the School Board of Pasco 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 Pasco County, Florida. The School is considered a component unit of the District. The current charter expires on June 30, 2030 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 Land O' Lakes, Florida for students from kindergarten through fifth grade and is funded by the District. These financial statements are for the year ended June 30, 2026, during which an average of 408 students were enrolled in kindergarten through fifth grade.

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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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 as program revenues are shown as 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. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, 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.

Special Revenue Fund – accounts for specific revenues, such as federal funding, federal lunch program, 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 Projects Fund – accounts for state and other local capital funds as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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 principal and interest on long-term debt and compensated absences which are reported as expenditures in the year due. General capital asset acquisitions are reported as expenditures in governmental funds.

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. No allowance for uncollectible accounts is deemed necessary.

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, 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 and Other Assets

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.

Inter-fund Transfers

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

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.

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)

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 the government-wide statement. 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.

The right to use assets are initially measured 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 capital assets are as follows:

Right-of-use asset (building)	20 Years
Building Improvements	10-20 Years
Furniture, fixtures and equipment	5-10 Years

Note 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability that has not been used, generally using an employee's pay rate as of the date of the financial statements.

The School grants a specific number of personal time off. Full time teachers and 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 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. Non-exempt and office salaried employees are not eligible to "cash out" unused personal time off days.

The compensated absences liability includes an accrual for the cash out days and personal time off for services already rendered.

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.

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 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 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.

Note 1 – Summary of Significant Accounting Policies (continued)

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. In addition, 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 and amortization and 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. Restricted balances at year end pertain to the School's lunch program.
c) Unrestricted net position - all other balances that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for a specific purpose, it is the District'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.

Note 1 – Summary of Significant Accounting Policies (continued)

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. Restricted balance at year end pertains 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. Assigned funds 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.

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 31, 2026, 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.

Note 1 – Summary of Significant Accounting Policies (continued)

New Accounting Standard Adopted

In fiscal year 2026, the School adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. Statement No. 103 requirements updates reporting requirements and changes to MD&A, unusual/infrequent items, proprietary fund presentation, major component units, budgetary comparison information and statistical information. The adoption of this statement did not have a material impact on the School's financial statements. This statement was applied prospectively.

In fiscal year 2026, the School adopted GASB issued Statement No. 104, Disclosure of Certain Capital Assets. Statement No. 104 requires certain capital assets to be separately identified within the capital asset footnote. This includes lease assets by major class of underlying asset and other specified categories of capital assets. It also establishes accounting and disclosure requirements for capital assets held for sale. The adoption of this statement did not have a material impact on the School's financial statements. This statement was applied prospectively.

Pronouncements Issued But Not Yet Effective

The GASB issued GASB Statement No. 105, *Subsequent Events*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

The School is currently evaluating the effect that the implementation of the new standards will have on its financial statements.

Note 2 – Cash

Deposits

The School maintains its cash 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. 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, 2026, bank balances in potential excess of FDIC coverage was approximately $109,000.

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.

Note 2 – Cash (Continued)

At June 30, 2026, the School had $-0- 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, 2026, maturities of the fund's portfolio holdings are approximately 77% 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, 2026, 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, 2026:

	Balance 07/01/25	Additions	Retirements/ Reclassifications	Balance 06/30/26
Capital Assets, depreciable:				
Building improvements	$ -	$ 332,686	$ -	$ 332,686
Furniture, Fixtures and equipment	-	1,484,830	-	1,484,830
Total Capital Assets	-	1,817,516	-	1,817,516
Less Accumulated Depreciation:				
Building improvements	-	(32,959)	-	(32,959)
Furniture, Fixtures and equipment	-	(213,330)	-	(213,330)
Total Accumulated Depreciation	-	(246,289)	-	(246,289)
Capital Assets, being depreciated, net	$ -	$ 1,571,227	$ -	$ 1,571,227
Lease Assets:				
Right to use leased asset (building)	$ -	$ 14,395,431	$ -	$ 14,395,431
Less accumulated amortization:	-	(662,551)	-	(662,551)
Total Lease Assets being amortized, net	-	13,732,880	-	13,732,880
Governmental Activities Capital Assets, net	$ -	$ 15,304,107	$ -	$ 15,304,107

For the fiscal year ended June 30, 2026, depreciation and amortization expense is allocated in the Statement of Activities by function as follows:

	Depreciation	Amortization
Instruction	$ 177,572	$ -
School administration	7,081	-
Operation of plant	61,636	662,551
Total Expense	$ 246,289	$ 662,551

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., 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, 2026, the School incurred $193,800 in fees. Academica Broward, LLC is located at 6340 Sunset Drive, Miami, Florida 33143.

Note 5 –Transactions with other divisions of Pinecrest Academy, Inc.

Pinecrest Academy, Inc. charges all its affiliated schools an assessment of shared corporate costs and accreditation expenses. The School paid Pinecrest Academy, Inc. $61,200 in connection with these charges during the year.

During the year ended June 30, 2026, the School's facility was shared with Pinecrest Academy Connerton Middle School, a charter school under Pinecrest Academy, Inc. Management allocates a proportionate share of leases, salaries, lunch receipts, food and supplies, and other expenses to each school individually based on student enrollment, usage of facilities, and staff to these schools and other schools operated by Pinecrest Academy, Inc. The School's lunch program is also shared with Pinecrest Academy Connerton Middle School. Revenues and expenses related to such program have been allocated based on FTE equivalent for purposes of presentation in the financial statements allocated 55% to the School and 45% allocated to Pinecrest Academy Connerton Middle School.

Recoverable Grant
The School received $750,000 in recoverable grants during the current year 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 $750,000.

The School made long term advances to Pinecrest Academy, Inc.. Changes in long term advances for the year ended June 30, 2026 are as follows:

	Balance 07/01/25	Additions	Repayments	Balance 06/30/26
Pinecrest Academy, Inc.	$ -	$ 1,550,000	$ -	$ 1,550,000
Total Long Term Advances	$ -	$ 1,550,000	$ -	$ 1,550,000

Note 6 – Long-Term Liabilities

The School entered into a commercial lease agreement with Connerton Charter Property, LLC (the "Landlord") effective August 1, 2025, for its facility located at 22672 Pleasant Plains Parkway, Land O' Lakes, Florida. The Landlord is an affiliate of the School's education services and support provider (See Note 4). Fixed rent for the initial lease year is based on a rate of $2,000 per student per annum and is adjusted annually thereafter based on the Consumer Price Index ("CPI"). The initial term of the lease continues through June 30, 2045, with two additional five-year renewal terms.

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 fiscal year 2021 and 2022.

Note 6 – Long-Term Liabilities (continued)

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, 2026, interest expense totaled $663,074, as it relates to its lease agreements.

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

Year	Principal	Interest	Total	
2027	$ 229,995	$ 723,338	$ 953,333	
2028	486,066	705,601	1,191,667	
2029	530,125	679,875	1,210,000	
2030	557,248	652,752	1,210,000	
2031	585,758	624,243	1,210,001	
2032-2036	3,410,180	2,639,820	6,050,000	(Total for five year period)
2037-2041	4,376,485	1,673,516	6,050,001	(Total for five year period)
2042-2045	4,378,481	461,519	4,840,000	(Total for three year period)
	$ 14,554,338	$ 8,160,664	$ 22,715,002	

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

	Balance 07/01/25	Additions	Payments	Balance 06/30/26
Lease Liability	$ -	$ 14,395,431	$ 158,907	$ 14,554,338

Note 7 – Commitments, Contingencies and Concentrations

The School receives the majority of its funding from the State through the District under the Florida Education Finance Program (FEFP) and various other state and local funding. The FEFP 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, 2026, administrative fees withheld by the School District totaled $93,407.

Note 8 - Interfund Transfers

Interfund transfers in government funds as of June 30, 2026 consists of the following:

Inter-fund transfers in governmental funds consist of the following:	General Fund	Special Revenue Fund	Capital Projects Fund
To fund debt service payments of principal and interest	$ (182,185)	$ -	$ 182,185
To reimburse general fund for prior period expenditures	(50,247)	50,247	
Total Transfers, net	$ (232,432)	$ 50,247	$ 182,185
Due from/(Due to) fund balances are as follows:			
Due to General Fund from Special Revenue Fund for federal grants	$ 783,701	$ (783,701)	$ -
Due to General Fund from capital projects fund	39,341	-	(39,341)
Total Due from/(Due to)	$ 823,042	$ (783,701)	$ (39,341)

Note 9 – 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 in the past three years. In addition, there were no reduction 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 agreement, 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 10 – 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 $24,398 for the year ended June 30, 2026. The School does not exercise any control or fiduciary responsibility over the Plans' assets, which are administered by Voya Financial.

Note 12 – Compensated Absences

Compensated absences payable consists of leave benefits, paid time off, that employees earned based on services already rendered. Compensated absences are recognized as a liability when the leave accumulates, is attributable to past service, and it is more likely than not that the leave will be used or paid.

Changes in compensated absence liabilities during the year are as follows:

	Balance 07/01/25	Increases*	Decreases	Balance 06/30/26	Due within one year
Compensated Absences	$ -	$ 89,152	$ -	$ 89,152	$ 46,359

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

REQUIRED SUPPLEMENTARY INFORMATION

Pinecrest Academy Connerton
(A charter school under Pinecrest Academy, Inc.)
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2026

	General Fund			Variance	
	Original Budget	Final Budget	Actual	Original to Final Variance	Final to Actual Variance
REVENUES					
State and local sources	$ 3,807,378	$ 3,618,586	$ 3,673,815	$ 188,792	$ (55,229)
Charges for services and other revenues	1,015,195	989,339	1,059,365	25,856	(70,026)
Total Revenues	4,822,573	4,607,925	4,733,180	214,648	(125,255)
EXPENDITURES					
Current:					
Instruction	2,465,442	2,436,654	2,365,458	28,789	71,196
Student support services	111,054	93,958	91,659	17,096	2,299
Instructional staff training	-	22,718	22,684	(22,718)	34
Board	32,875	20,800	15,300	12,075	5,500
School administration	631,933	548,089	542,470	83,843	5,619
Fiscal services	90,250	64,600	64,600	25,650	-
Central services	162,650	101,600	78,192	61,050	23,408
Operation of plant	386,912	661,846	648,473	(274,934)	13,373
Maintenance of plant	247,200	240,500	222,954	6,700	17,546
Administrative technology services	43,558	49,753	48,611	(6,194)	1,142
Total Current Expenditures	4,171,874	4,240,518	4,100,401	(68,643)	140,117
Excess of Revenues Over Current Expenditures	650,699	367,407	632,779	283,292	(265,372)
Capital Outlay					
Other Capital Outlay	1,063,000	1,055,240	1,035,990	7,760	19,250
Total Expenditures	5,234,874	5,295,758	5,136,391	(60,883)	159,367
Excess of Revenues Over Expenditures	(412,301)	(687,833)	(403,211)	275,532	(284,622)
Other financing sources (uses):					
Transfers in (out)	(131,218)	(40,748)	(232,432)	(90,470)	191,684
Long term deposit	-	(20,000)	(20,000)	20,000	-
Long term note payment to Pinecrest, Inc.	600,000	1,550,000	1,550,000	(950,000)	-
Net change in fund balance	56,480	801,419	894,357	(744,939)	(92,938)
Fund Balance at beginning of year	-	-	-	-	-
Fund Balance at end of year	$ 56,480	$ 801,419	$ 894,357	$ (744,939)	$ (92,938)

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 Connerton
(A charter school under Pinecrest Academy, Inc.)
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2026

	Special Revenue Fund			Variance	
	Original Budget	Final Budget	Actual	Original to Final Variance	Final to Actual Variance
REVENUES					
Federal sources	$ 789,485	$ 811,674	$ 812,338	$ (22,189)	$ (664)
Charges for services and other revenues	368,700	377,437	391,059	(8,737)	(13,622)
Total Revenues	1,158,185	1,189,111	1,203,397	(30,926)	(14,286)
EXPENDITURES					
Current:					
Instruction	39,285	37,162	36,674	2,123	488
Food services	238,758	225,161	189,621	13,597	35,540
Community services	178,000	178,000	175,362	-	2,638
Total Current Expenditures	456,043	440,323	401,657	15,720	38,666
Excess of Revenues Over Current Expenditures	702,142	748,788	801,740	(46,646)	(52,952)
Capital Outlay	863,000	789,536	781,526	73,464	8,010
Total Expenditures	1,319,043	1,229,859	1,183,183	15,720	38,666
Excess of Revenues Over Expenditures	(160,858)	(40,748)	20,214	(46,646)	(52,952)
Transfers in (out)	160,858	40,748	50,247	120,110	(9,499)
Net change in fund balance	-	-	70,461	73,464	(62,451)
Fund Balance at beginning of year	-	-	-	-	-
Fund Balance at end of year	$ -	$ -	$ 70,461	$ -	$ (70,461)

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.

Note 1 – Budgets and Budgetary Accounting

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. The original budget and any subsequent amendments are approved by the Board of Directors.

Note 2 – Variances

- State Passed Through Local - The final budget was reduced to capture changes in enrollment which affected funding
- Operation of Plant - The final budget was increased based on board approval of facilities projects and rent
- Advances from Notes Payable - Advances from Notes Payable increased based on board approval at year end
- Charges for Services - The difference in Charges for Services from Original to Final budget attributed to an increase in fundraising revenue.
- Charges for Services - The difference in Charges for Services from Original to Final budget attributed to an increase in fundraising revenue.

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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*

To the Board of Directors of
Pinecrest Academy Connerton
Connerton, 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 Academy Connerton (the "School") as of, and for the year ended June 30, 2026, 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 31, 2026.

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 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 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 31, 2026 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
August 31, 2026

HLB GRAVIER, LLP
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MANAGEMENT LETTER

To the Board of Directors of
Pinecrest Academy Connerton
Connerton, Florida

Report on the Financial Statements

We have audited the financial statements of Pinecrest Academy Connerton, Connerton, Florida as of and for the fiscal year ended June 30, 2026 and have issued our report thereon dated August 31, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent 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 schedules which are dated August 31, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

The year ended June 30, 2026 is the School's first year of operations.

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 Connerton , 4343.

Financial Condition and Management

Section 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 Connerton 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 Academy Connerton 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 Connerton. It is management's responsibility to monitor Pinecrest Academy Connerton '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 communicate any recommendation to improve financial management. In connection with our audit, we did not have 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 Connerton 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 Connerton maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or 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 Florida House of Representatives, the Florida Auditor General, School Board of Pasco 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.



Coral Gables, Florida
August 31, 2026

CERTIFIED PUBLIC ACCOUNTANTS