HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

**Pinellas Preparatory Academy, Inc.**
(A Charter School and Component Unit
of the School Board of Pinellas County, Florida)
W/L #7171
Largo, 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* . . . . . 16-27

**Required Supplementary Information:**
Budgetary Comparison Schedules. . . . . 28-29
Notes to the Budgetary Comparison Schedules . . . . . 30

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*** . . . . . 31-32

**Management Letter** . . . . . 33-34

**Pinellas Preparatory Academy, Inc.**
W/L# 7171

2300 South Belcher Road #100
Largo, FL 33771

**2025-2026**

BOARD OF DIRECTORS

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Amanda Matsumoto-Roberts, Treasurer
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SCHOOL ADMINISTRATION

Jessica Hill, Principal

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

# INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Pinellas Preparatory Academy
Largo, 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 Pinellas Preparatory Academy, Inc. (the "School"), and a component unit of the District School Board of Pinellas County 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 Pinellas Preparatory Academy, Inc. 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 Pinellas Preparatory 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 Pinellas Preparatory Academy, Inc.'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.

***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 28 through 30 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 September 30, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026

**Management's Discussion and Analysis**
Pinellas Preparatory Academy, Inc.

June 30, 2026

The corporate officers of Pinellas Preparatory Academy, Inc. have prepared this narrative overview and analysis of the School's financial activities for the year ended June 30, 2026.

## About the School

Pinellas Preparatory Academy is a tuition-free public charter school founded in 2001 and is located in Largo, Florida, serving students in kindergarten through eighth grade. The School emphasizes academic excellence, project-based learning, comprehensive student development, high academic and behavioral expectations, leadership development, and strong family and community involvement.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2026 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.

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 detail 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 of the School's net position as of June 30, 2026 and 2025 is as follows:

| | 2026 | 2025 | Variance |
|---|---|---|---|
| Cash and cash equivalents | $ 1,791,505 | $ 2,357,566 | $ (566,061) |
| Investments | 1,270,358 | 172,021 | 1,098,337 |
| Investments held by trustee | 632,061 | 525,279 | 106,782 |
| Prepaid expenses and other current assets | 70,314 | 55,067 | 15,247 |
| Due from other agencies | 777,809 | 1,292,650 | (514,841) |
| Capital assets, net | 9,137,914 | 9,320,330 | (182,416) |
| Total Assets | 13,679,961 | 13,722,913 | (42,952) |
| Deferred Outflows | - | - | - |
| Accounts payable and accrued liabilities | 562,165 | 708,521 | (146,356) |
| Compensated absences | 33,697 | 38,232 | (4,535) |
| Bonds payable | 8,004,732 | 8,335,723 | (330,991) |
| Total Liabilities | 8,600,594 | 9,082,476 | (481,882) |
| Deferred Inflows | - | - | - |
| Net Position: | | | |
| Net investment in capital assets | 1,133,182 | 984,607 | 148,575 |
| Restricted by bond | 632,061 | 525,279 | 106,782 |
| Unrestricted | 3,314,124 | 3,130,551 | 183,573 |
| Total Net Position | $ 5,079,367 | $ 4,640,437 | $ 438,930 |

Total assets remained relatively consistent with the prior year, decreasing by approximately $43,000, from approximately $13.72 million in 2025 to $13.68 million in 2026. Cash and cash equivalents and investments increased by approximately $532,000, while amounts due from other agencies decreased by approximately $515,000, primarily reflecting the collection of prior-year's referendum receivable.

Total liabilities decreased by approximately $482,000, or 5%, from approximately $9.08 million in 2025 to $8.60 million in 2026. The decrease was primarily attributable to an approximately $331,000 reduction in bonds payable resulting from scheduled principal payments.

Total net position increased by approximately $439,000, or 9%, from approximately $4.64 million in 2025 to $5.08 million in 2026.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2026 and 2025 is as follows:

| | 2026 | 2025 | Variance |
|---|---|---|---|
| REVENUES | | | |
| Program Revenues | | | |
| Capital grants and contributions | $ 1,419,921 | $ 1,077,016 | $ 342,905 |
| Operating grants and contributions | 284,065 | 321,216 | (37,151) |
| Charges for services | 856,101 | 736,671 | 119,430 |
| General Revenues | | | |
| State and local sources | 7,539,280 | 6,911,608 | 627,672 |
| Other revenues | 410,360 | 364,437 | 45,923 |
| Total Revenues | $ 10,509,727 | $ 9,410,948 | $ 1,098,779 |
| EXPENSES | | | |
| Component Unit Activities: | | | |
| Instruction | $ 6,148,848 | $ 5,251,227 | $ 897,621 |
| Student support services | 4,151 | 1,967 | 2,184 |
| Instructional staff training services | 74,309 | 73,968 | 341 |
| School administration | 1,002,583 | 1,090,516 | (87,933) |
| Fiscal services | 73,750 | 80,100 | (6,350) |
| Food services | 563,233 | 470,047 | 93,186 |
| Operation of plant | 1,706,361 | 1,681,382 | 24,979 |
| Maintenance of plant | 2,837 | 23,942 | (21,105) |
| Community services | 152,091 | 184,223 | (32,132) |
| Debt service | 342,634 | 355,402 | (12,768) |
| Total Expenses | 10,070,797 | 9,212,774 | 858,023 |
| Change in Net Position | 438,930 | 198,174 | 240,756 |
| Net Position at Beginning of Year | 4,640,437 | 4,442,263 | 198,174 |
| Net Position at End of Year | $ 5,079,367 | $ 4,640,437 | $ 438,930 |

Student enrollment decreased from 780 students in 2025 to 765 students in 2026. Despite the decrease in enrollment, total revenues increased by approximately $1.10 million, or 12%, from approximately $9.41 million in 2025 to $10.51 million in 2026. The increase was primarily attributable to an approximately $628,000 increase in state and local sources which mainly pertained to the approximately $590,000 increase in referendum funding received during the year. There was also an approximately $343,000 increase in capital grants and contributions which was mainly attributed to the per student increase in local capital improvement funding.

Total expenses increased by approximately $858,000, or 9%, from approximately $9.21 million in 2025 to $10.07 million in 2026. The increase was primarily attributable to an approximately $898,000 increase in instructional expenses. The increase in instructional expenses was mainly due to the increase in textbook purchases and an overall increase in personnel expenses such as retirement, health insurance and teacher salary increases.

As a result, the School reported an increase in net position of approximately $439,000 in 2026, compared with an increase of approximately $198,000 in 2025, as the increase in revenues exceeded the corresponding increase in expenses.

### Governmental Funds

The School reports four 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 $3,347,821. The fund balance unassigned and available for spending at the School's discretion is $3,277,507. These funds will be available for the School's future ongoing operations.

The debt service fund reported an ending fund balance of $632,061 which was solely comprised of restricted bond funds.

## CAPITAL ASSETS AND LONG-TERM DEBT

### Capital Assets

The School's investment in capital assets as of June 30, 2026 amounts to $9,137,914 (net of accumulated depreciation). This investment in capital assets includes building and improvements, furniture, fixtures and computer equipment. Significant asset additions were primarily building improvements made during the year.

The School continued to operate from its facilities located at 2300 South Belcher Road #100, Largo, FL 33771.

### Long-Term Liabilities

As of June 30, 2026, the School had long term debt totaling $8,004,732 relating to capital assets.

## CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

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

- **Enrollment** – enrollment is projected to be approximately 771 in fiscal year 2027.

### 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 the School's Administrator located at 2300 South Belcher Road #100, Largo, FL 33771.

Pinellas Preparatory Academy, Inc.
Statement of Net Position
June 30, 2026

| | Governmental Activities |
|---|---|
| **Assets** | |
| Current assets: | |
| Cash and cash equivalents | $ 1,791,505 |
| Investments | 1,270,358 |
| Investments held by trustee | 632,061 |
| Due from other agencies | 777,809 |
| Prepaid expenses and other current assets | 70,314 |
| Total Current Assets | 4,542,047 |
| Land | 1,093,667 |
| Capital assets, depreciable | 13,989,081 |
| Less: accumulated depreciation | (5,944,834) |
| | 9,137,914 |
| Total Assets | 13,679,961 |
| **Deferred Outflows of Resources** | - |
| **Liabilities** | |
| Current liabilities: | |
| Salaries and wages payable and accrued expenses | 484,776 |
| Accounts payable | 63,685 |
| Accrued interest | 13,704 |
| Compensated absences, current | 8,424 |
| Current portion of bonds payable | 348,148 |
| Total Current Liabilities | 918,737 |
| Compensated absences | 25,273 |
| Bonds payable | 7,656,584 |
| Total Liabilities | 8,600,594 |
| **Deferred Inflows of Resources** | - |
| **Net position** | |
| Net investment in capital assets | 1,133,182 |
| Restricted by bond | 632,061 |
| Unrestricted | 3,314,124 |
| Total Net Position | $ 5,079,367 |



The accompanying notes are an integral part of this financial statement

Pinellas Preparatory Academy, Inc.
Statement of Activities
For the year ended June 30, 2026

| FUNCTIONS: | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Instruction | $ 6,148,848 | $ - | $ 365 | $ - | $ (6,148,483) |
| Student support services | 4,151 | - | - | - | (4,151) |
| Instructional staff training services | 74,309 | - | - | - | (74,309) |
| School administration | 1,002,583 | - | - | - | (1,002,583) |
| Fiscal services | 73,750 | - | - | - | (73,750) |
| Food services | 563,233 | 208,474 | 283,700 | - | (71,059) |
| Operation of plant | 1,706,361 | - | - | 1,419,921 | (286,440) |
| Maintenance of plant | 2,837 | - | - | - | (2,837) |
| Community services | 152,091 | 647,627 | - | - | 495,536 |
| Debt service | 342,634 | - | - | - | (342,634) |
| **Total Governmental Activities** | 10,070,797 | 856,101 | 284,065 | 1,419,921 | (7,510,710) |
| General revenues: | | | | | |
| State and local sources | | | | | 7,539,280 |
| Interest and other revenue | | | | | 410,360 |
| Change in net position | | | | | 438,930 |
| Net position, beginning | | | | | 4,640,437 |
| Net position, ending | | | | | $ 5,079,367 |



The accompanying notes are an integral part of this financial statement

Pinellas Preparatory Academy, Inc.
Balance Sheet - Governmental Funds
June 30, 2026

| | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | $1,791,505 | $ - | $ - | $ - | $ 1,791,505 |
| Investments held by trustee | - | - | 632,061 | - | 632,061 |
| Investments | 1,270,358 | - | - | - | 1,270,358 |
| Due from other agencies | 735,954 | - | - | 41,855 | 777,809 |
| Prepaid expenses | 70,314 | - | - | - | 70,314 |
| Due from funds | 41,855 | - | 13,704 | - | 55,559 |
| Total Assets | 3,909,986 | - | 645,765 | 41,855 | 4,597,606 |
| **Deferred Outflows of Resources** | - | - | - | - | - |
| **Liabilities** | | | | | |
| Salaries and wages payable | 484,776 | - | - | - | 484,776 |
| Accounts payable | 63,685 | - | - | - | 63,685 |
| Accrued interest | - | - | 13,704 | - | 13,704 |
| Due to funds | 13,704 | - | - | 41,855 | 55,559 |
| Total Liabilities | 562,165 | - | 13,704 | 41,855 | 617,724 |
| **Deferred Inflows of Resources** | - | - | - | - | - |
| **Fund balance** | | | | | |
| Nonspendable, not in spendable form | 70,314 | - | - | - | 70,314 |
| Restricted | - | - | 632,061 | - | 632,061 |
| Unassigned | 3,277,507 | - | - | - | 3,277,507 |
| | 3,347,821 | - | 632,061 | - | 3,979,882 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | $3,909,986 | $ - | $ 645,765 | $ 41,855 | $ 4,597,606 |



The accompanying notes are an integral part of this financial statement

Pinellas Preparatory Academy, Inc.
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2026

| | | |
|---|---|---|
| Total Fund Balance - Governmental Funds | | $ 3,979,882 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| 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 | 15,082,748 | |
| Less: accumulated depreciation | (5,944,834) | |
| | | 9,137,914 |
| Long term debt which is not due and payable in the current period and, therefore, is not reported in the governmental funds. | | |
| Bonds Payable | (8,004,732) | |
| Compensated absences | (33,697) | |
| | | (8,038,429) |
| Total Net Position - Governmental Activities | | $ 5,079,367 |



The accompanying notes are an integral part of this financial statement

Pinellas Preparatory 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 | Debt Service Fund | Capital Projects Fund | Total Governmental |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| State capital outlay funding | $ - | $ - | $ - | $ 507,119 | $ 507,119 |
| State passed through local | 6,384,555 | - | - | - | 6,384,555 |
| Local sources | 1,787,331 | - | - | 912,802 | 2,700,133 |
| Federal sources | - | 284,065 | - | - | 284,065 |
| Other revenue | 410,360 | - | - | - | 410,360 |
| Charges for services | 647,627 | 208,474 | - | - | 856,101 |
| Total Revenues | 9,229,873 | 492,539 | - | 1,419,921 | 11,142,333 |
| Expenditures: | | | | | |
| Current | | | | | |
| Instruction | 6,047,051 | 365 | - | - | 6,047,416 |
| Student support services | 4,151 | - | - | - | 4,151 |
| Instructional staff training services | 74,309 | - | - | - | 74,309 |
| School administration | 978,904 | - | - | - | 978,904 |
| Fiscal services | 73,750 | - | - | - | 73,750 |
| Food services | - | 550,930 | - | - | 550,930 |
| Operation of plant | 884,070 | - | - | 297,387 | 1,181,457 |
| Maintenance of plant | 2,837 | - | - | - | 2,837 |
| Community services | 152,509 | - | - | - | 152,509 |
| Capital Outlay: | | | | | |
| Other capital outlay | 35,110 | - | - | 448,909 | 484,019 |
| Debt Service: | | | | | |
| Principal | - | - | - | 330,991 | 330,991 |
| Interest | - | - | - | 342,634 | 342,634 |
| Total Expenditures | 8,252,691 | 551,295 | - | 1,419,921 | 10,223,907 |
| Excess/(Deficit) of revenues over expenditures | 977,182 | (58,756) | - | - | 918,426 |
| Other financing sources: | | | | | |
| Transfers in and (out) | (165,538) | 58,756 | 106,782 | - | - |
| Net change in fund balance | 811,644 | - | 106,782 | - | 918,426 |
| Fund Balance at beginning of year | 2,536,177 | - | 525,279 | - | 3,061,456 |
| Fund Balance at end of year | $3,347,821 | $ - | $ 632,061 | $ - | $ 3,979,882 |



The accompanying notes are an integral part of this financial statement

Pinellas Preparatory 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 | | $ 918,426 |
| 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. In the current period, these amounts are: | | |
| Capital Outlay | 484,019 | |
| Depreciation and amortization expense | (666,435) | |
| | | (182,416) |
| Additions in long term liabilities provide current financial resources to governmental funds, but increases long term liabilities in the statement of net position. Reductions in long term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current period, these amounts are: | | |
| Decreases in long term liabilities | 335,526 | |
| Increases in long term liabilities | - | |
| | | 335,526 |
| 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. This is the difference between the revenues from prior year that is now available to pay current liabilities to the revenues from the current year that is not available to pay current liabilities. In the current period, these amounts are: | | |
| Prior year revenues available in current year | (632,606) | |
| Current year revenues not available | - | |
| | | (632,606) |
| Change in Net Position of Governmental Activities | | $ 438,930 |



The accompanying notes are an integral
part of this financial statement

## Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Pinellas Preparatory Academy (the "School"), is 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 the not-for-profit corporation, which is composed of nine members. The School operates under a charter granted by the sponsoring district, the District School Board of Pinellas County (the "District"). The current charter expires on June 30, 2031 and is renewable for an additional term pursuant to law or by mutual written agreement between the School and the District. During the term of the charter, the District may terminate the charter if good cause is shown. The School is considered a component unit of such District.

The School is located in Largo, Florida for students from kindergarten through eighth grades and is funded by the District. These financial statements are for the year ended June 30, 2026, during which approximately 765 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.

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 which report fees; (2) operating grants such as the National School Lunch Program, federal grants, and other state allocations; and (3) local and state 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.

**Note 1 – Summary of Significant Accounting Policies (continued)**

*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, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures.

The School reports the following major governmental funds:

*General Fund* – is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

*Special Revenue Fund* – accounts for specific revenues, such as federal funding and federal lunch program that are legally restricted to expenditures for particular purposes.

*Capital Projects Fund* - is used to account for the resources restricted for the acquisition or construction of specific capital assets and from state and local capital funding that are legally restricted to expenditures for particular purposes.

*Debt Service Fund* – accounts for the resources accumulated for principal and interest on long-term debt of the School.

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

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.

**Note 1 – Summary of Significant Accounting Policies (continued)**

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 when due. General capital asset acquisitions are reported as expenditures in governmental funds.

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

Outstanding balances between funds are reported as "due to/from" other funds. Inter-fund transfers are made between the General Fund, Special Revenue, Debt Service and Capital Projects Fund.

Cash and Cash Equivalents

All deposits are held in major banks and high grade investments. The School has not adopted a formal investment policy. Cash and cash equivalents includes all highly liquid investments with a maturity of three months or less. 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.

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.

Long –Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond payable is reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

**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 a cost of $750 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. Estimated useful lives, in years, for depreciable assets are as follows:

| | |
|---|---|
| Building and improvements | 5-39 Years |
| Fixtures, furniture, and equipment | 3-15 Years |

Revenue Sources

Revenues for operations will be 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. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made. In addition, the School receives a portion of the local operating millage revenues levied by the District.

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 improvement tax revenues levied by the District. Finally, the School may also receive 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.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Charges for Services
The School charges students for various instruction and curriculum development programs including music, tutoring, food, art programs. These activities are recorded in the general fund since the fees charged are only supplementing the programs and the cost of such programs substantially exceed the fees. The School also offers a before and aftercare program that is reported in the general fund.

Contributions
Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net position if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in restricted net position depending on the nature of the restrictions.

The School reports gifts of fixed assets or materials as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long donated assets or assets acquired with restricted contributions must be maintained, the School reports expirations of donor restrictions when donated or acquired assets are placed in service. Contributions are considered to be unrestricted program funds unless specifically restricted by donor.

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.

It is the School's policy to grant employees leave based upon the number of years of employment with the School. Personal leave may be used as time off or accrued. Unused PTO ("Paid Time Off") for salaried employees will be paid at the end of the fiscal year based on their current rate and is included in accrued salaries. A maximum of 40 unused hours of PTO for hourly employees can be carried over to the following fiscal year. Such leave pay is calculated based on the hourly employee's current rate of pay. Compensated absences includes a liability for PTO for services already rendered.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Deferred Outflows/Inflows of Resources

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

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

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2026, which is the date the financial statements were available to be issued.

Net position and Fund balance classifications

*Government-wide financial statements*

Equity is classified as net position and displayed in three (3) components:

a) Net investment in capital assets - consists of capital assets net of accumulated depreciation 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 net position 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 net position 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 School's policy to use restricted resources first, until exhausted, before using unrestricted resources.

*Fund financial statements*

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement 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 listed 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 inventories and prepaid expenses.
b) Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted balances of the School relate to the debt service fund.

**Note 1 – Summary of Significant Accounting Policies (continued)**

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 are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
e) Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

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

Income Taxes

Pinellas Preparatory 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.

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 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 implementation of the new standards will have on its financial statements.

**Note 2 – Cash, Cash Equivalents and Investments**

At June 30, 2026, the carrying amount of the School's deposits and cash equivalents on hand totaled $1,791,505.

Cash deposits of $2,423,575 are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Investments and Cash Equivalents

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.

The School's recurring fair value measurements as of June 30, 2026 consists of U.S. Treasuries totaling $703,910 with interest rates between 1.75% and 3.875% and maturities between September 30, 2026 and March 31, 2027 that are valued using quoted prices in active markets (Level 1 inputs) and mutual funds totaling $566,448 that are valued using quoted prices in active markets (Level 1 inputs). The School also had investments held by the trustee for bond purposes that consisted of mutual funds totaling $632,061 that are valued using quoted prices in active markets (Level 1 inputs).

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 US Treasury Notes and mutual funds with a weighted average rating of B+.

*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 mutual funds and US Treasury Notes 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 mutual funds and US Treasury Notes that can be redeemed daily.

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

Restricted Assets

Restricted assets include investments that are related to bond sinking fund of the School. The Indenture of Trust requires the establishment of the Funds for the bonds and accounts within such funds, all of which shall be special trust funds and accounts held by Trustee. At June 30, 2026 the composition of restricted balances is as follows:

| | Restricted Balances |
|---|---|
| **Funds** | |
| Debt Service Fund | $ 632,061 |
| **Total Restricted Funds** | **$ 632,061** |

**Note 3 –Due from Other Agencies**

The following is due from other agencies as of June 30, 2026:

| Funding Source | Governmental Fund | Balance |
|---|---|---|
| Due from the School Board of Pinellas County, referendum | General Fund | $ 735,954 |
| Capital Outlay | Capital Projects Fund | 41,855 |
| Total Due from Other Agencies, current | | $ 777,809 |

**Note 4 –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 | Reclassifications/ Retirements | Balance 06/30/26 |
|---|---|---|---|---|
| Capital assets, non-depreciable: | | | | |
| Land | $ 1,093,667 | $ - | $ - | $ 1,093,667 |
| Capital assets, depreciable: | | | | |
| Buildings and improvements | 10,456,224 | 448,909 | - | 10,905,133 |
| Computer equipment and software | 42,929 | - | - | 42,929 |
| Furniture, fixtures and equipment | 3,005,909 | 35,110 | - | 3,041,019 |
| Total Capital Assets | 14,598,729 | 484,019 | - | 15,082,748 |
| Less: Accumulated Depreciation | (5,278,399) | (666,435) | - | (5,944,834) |
| Capital Assets, net | $ 9,320,330 | $ (182,416) | $ - | $ 9,137,914 |

**Note 4 –Capital Assets (continued)**

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

| | | |
|---|---|---|
| Instruction | $ | 100,629 |
| School administration | | 17,249 |
| Food services | | 12,303 |
| Operation of plant | | 536,254 |
| Total Depreciation Expense | $ | 666,435 |

**Note 5 – 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 District, the District withholds an administrative fee of 2% of the qualifying revenues of the School. For the year ended June 30, 2026, administrative fees withheld by the School District totaled $39,098.

**Note 6 – Long Term Debt**

2019 Revenue Bonds

On June 14, 2019, Educational Facilities Revenue Bonds, Series 2019A and 2019B – Pinellas County Educational Facilities Authority (the "Issuer") issued Educational Facilities Revenue Bonds (Pinellas Preparatory Academy Project), Series 2019A, in the aggregate principal amount of $1,300,000 (the "Series 2019A Bonds"). Pinellas Preparatory Academy, Inc. also issued Taxable Educational Facilities Revenue Bonds (Pinellas Preparatory Academy Projects) Series 2019B, in the aggregate principal amount of $8,806,130 (the "Series 2019B Bonds"). The bonds were used to finance or refinance the costs of acquiring, constructing, and equipping certain charter school facilities with a gymnasium (through the enclosure of the existing facility) and other qualifying educational facilities to be located on the existing campus in Largo, FL. In addition, the bonds will be used to refund the outstanding 2011A Bonds through a deposit to an escrow account as well as the payment of certain issuance costs of the 2019 Bonds.

**Note 6 – Long Term Debt (continued)**

Interest is payable quarterly. The bonds are secured by an Indenture of Trust dated as of June 1, 2019 between the Issuer and Zion's Bancorporation, National Association (the "Trustee") pursuant to a resolution of the Issuer. The issuer has no obligation for the debt beyond the resources provided by the facility. These Bonds are subject to interest rates of 4.20% and 5.25% for the 2019A and 2019B Bond issuances respectively. The bonds were issued at par.

The bonds contain restrictive covenants related to debt service coverage ratio, days cash on hand requirements, student enrollment and reporting requirements. In the event of default, the maturity date can be accelerated and/or the underlying collateral may be subject to foreclosure. At year end, management believes the school was not in violation of any bond covenants that would trigger an event of default.

All of the School's revenues (except for revenues restricted or assigned for specific programs) are pledged to the bonds for the outstanding principal and interest balance until maturity. The revenues pledged during the school year ended June 30, 2026, exceeded the required principal and interest for that period.

The composition of long-term debt as of June 30, 2026 is as follows:

| | June 30, 2025 | Increases | Decreases | June 30, 2026 |
|---|---|---|---|---|
| Bonds Payable | $ 8,335,723 | $ - | $ (330,991) | $ 8,004,732 |
| | $ 8,335,723 | $ - | $ (330,991) | $ 8,004,732 |

Total revenue bond debt service requirements to maturity are as follows:

| Year Ending June 30, | Principal | Interest | |
|---|---|---|---|
| 2027 | $ 348,148 | $ 330,788 | |
| 2028 | 362,140 | 315,922 | |
| 2029 | 378,094 | 300,479 | |
| 2030 | 394,641 | 284,336 | |
| 2031 | 410,446 | 280,192 | |
| 2032-2036 | 2,332,092 | 1,084,869 | *(total for a 5 year period)* |
| 2037-2041 | 3,434,438 | 511,653 | *(total for a 5 year period)* |
| 2042 | 344,733 | 3,620 | |
| Total | $ 8,004,732 | $ 3,111,859 | |

Total interest expense for the year ended of June 30, 2026 was $342,634.

## Note 7 – Interfund Transfers and Balances

Interfund transfers are as follows:

| | General Fund | Debt Service Fund | Capital Projects Fund | Special Revenue Fund |
|---|---|---|---|---|
| To fund debt service fund from the general fund | $ (106,782) | $ 106,782 | $ - | $ - |
| To fund lunch deficit in the special revenue fund | (58,756) | - | - | 58,756 |
| Total Transfers, net | $ (165,538) | $ 106,782 | $ - | $ 58,756 |

| | General Fund | Debt Service Fund | Capital Projects Fund | |
|---|---|---|---|---|
| Due to General Fund from Capital Projects Fund for capital outlay | $ 41,855 | $ - | $ (41,855) | $ - |
| Total Due from/(Due to) | $ 41,855 | $ - | $ (41,855) | $ - |

## Note 8 – 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 any of the past three fiscal years. In addition, there were no reductions in insurance coverage from those in the prior year.

## Note 9 – Defined Contribution Retirement Plan

The School sponsors a defined contribution plan pursuant to Section 403(b) of the Internal Revenue Code, covering substantially all employees. The plan permits voluntary contributions from employees, based on a salary reduction agreement, and the School may agree to make nonelective contributions to the plan. The School contributed $302,536 to the Plan for the year ended June 30, 2026.

## Note 10 – 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:

| | June 30, 2025 | Increases | Decreases* | June 30, 2026 | Due within One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 38,232 | $ - | $ (4,535) | $ 33,697 | $ 8,424 |
| | $ 38,232 | $ - | $ (4,535) | $ 33,697 | $ 8,424 |

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

REQUIRED SUPPLEMENTARY INFORMATION

Pinellas Preparatory Academy, Inc.
Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund
For the year ended June 30, 2026

| | General Fund | | | Variance | |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Original to Final | Final to Actual |
| REVENUES | | | | | |
| State passed through local | $ 6,716,007 | $ 6,384,555 | $ 6,384,555 | $ (331,452) | $ - |
| Local sources | 913,242 | 1,787,331 | 1,787,331 | 874,089 | - |
| Charges for services | 644,861 | 647,627 | 647,627 | 2,766 | - |
| Other revenues | 69,400 | 410,360 | 410,360 | 340,960 | - |
| Total Revenues | 8,343,510 | 9,229,873 | 9,229,873 | 886,363 | - |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Instruction | 4,634,196 | 6,047,051 | 6,047,051 | 1,412,855 | - |
| Student support services | 59,157 | 4,151 | 4,151 | (55,006) | - |
| Instructional staff training services | 12,060 | 74,309 | 74,309 | 62,249 | - |
| School administration | 1,324,532 | 978,904 | 978,904 | (345,628) | - |
| Fiscal services | 75,000 | 73,750 | 73,750 | (1,250) | - |
| Pupil transportation services | - | - | - | - | - |
| Operation of plant | 1,598,367 | 976,669 | 884,070 | (621,698) | (92,599) |
| Maintenance of plant | 15,761 | 2,837 | 2,837 | (12,924) | - |
| Community services | 223,715 | 152,509 | 152,509 | (71,206) | - |
| Total current expenditures | 7,942,788 | 8,310,180 | 8,217,581 | 367,392 | (92,599) |
| Excess/(Deficit) of revenues over current expenditures | 400,722 | 919,693 | 1,012,292 | 518,971 | 92,599 |
| Capital outlay: | | | | | |
| Other capital outlay | - | 35,110 | 35,110 | 35,110 | - |
| Total Capital outlay and debt service expenditures | - | 35,110 | 35,110 | 35,110 | - |
| Total expenditures | 7,942,788 | 8,345,290 | 8,252,691 | 402,502 | (92,599) |
| Excess/(Deficit) of revenues over expenditures | 400,722 | 884,583 | 977,182 | 483,861 | 92,599 |
| Other financing sources: | | | | | |
| Transfers in and (out) | (189,763) | (165,538) | (165,538) | 24,225 | - |
| Net change in fund balance | 210,959 | 719,045 | 811,644 | 508,086 | 92,599 |
| Fund balance at beginning of year | 2,536,177 | 2,536,177 | 2,536,177 | - | - |
| Fund balance at end of year | $ 2,747,136 | $ 3,255,222 | $ 3,347,821 | $ 508,086 | $ 92,599 |

See accompanying notes to the budgetary comparison schedules.

Pinellas Preparatory Academy, Inc.
Statement of Revenues, Expenditures, and Changes in Fund Balance -Special Revenue Fund
For the year ended June 30, 2026

| | Special Revenue Fund | | | Variance | |
|---|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Original to Final | Final to Actual |
| REVENUES | | | | | |
| Federal sources | $ 248,000 | $ 284,065 | $ 284,065 | $ 36,065 | $ - |
| Charges for services | - | 208,474 | 208,474 | 208,474 | - |
| Total Revenues | 248,000 | 492,539 | 492,539 | 244,539 | - |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Instruction | - | 365 | 365 | 365 | - |
| Food services | 437,763 | 550,930 | 550,930 | 113,167 | - |
| Total current expenditures | 437,763 | 551,295 | 551,295 | 113,532 | - |
| Excess of revenues | | | | | |
| Over current expenditures | (189,763) | (58,756) | (58,756) | 131,007 | - |
| Capital outlay: | | | | | |
| Other capital outlay | - | - | - | - | - |
| Total expenditures | 437,763 | 551,295 | 551,295 | 113,532 | - |
| Excess/(Deficit) of revenues over expenditures | (189,763) | (58,756) | (58,756) | 131,007 | - |
| Other financing sources: | | | | | |
| Transfers in and (out) | 189,763 | 58,756 | 58,756 | (131,007) | - |
| Net change in fund balance | - | - | - | - | - |
| Fund balance at beginning of year | - | - | - | - | - |
| Fund balance at end of year | $ - | $ - | $ - | $ - | $ - |

See accompanying notes to the budgetary comparison schedules.

**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**

*General Fund*
State passed through local revenue was reduced from the original budget based on updated FEFP and related state funding projections received during fiscal year end 2026.

Local source revenues were revised upward based on the inclusion of the retro referendum funds in the statement of revenues and expenditures during the year along with additional miscellaneous local revenues, rebates, refunds, and reimbursements identified during fiscal year end 2026.

Other revenues increased from the original budget due to revised revenue projections for interest earnings from investment and bond-related accounts, athletics, summer camp programs, parent teacher enrichment activities, and other miscellaneous school-related revenue sources.

Instruction expenditures increased from the original budget primarily due to revised projections for classroom teacher salaries, exceptional student education services, employee benefits, retirement costs, instructional materials, textbooks, software subscriptions, and student instructional activities. The final budget was adjusted to reflect anticipated instructional program costs during fiscal year end 2026.

School administration expenditures were reduced from the original budget as projected administrative salaries, support personnel costs, employee benefits, professional services, and administrative operating expenditures were lower than initially anticipated. The final budget was revised to reflect updated expenditure projections available during fiscal year end 2026.

Operation of Plant expenditures were reduced from the original budget as projected facility-related payroll, insurance, utilities, repairs and maintenance, and safe school expenditures were lower than originally anticipated. The final budget was updated based on revised estimates of facility operating costs during fiscal year end 2026.

*Special Revenue Fund*
Charges for services were added to the budget during fiscal year end 2026 to reflect anticipated revenues generated through food service operations and related program activities that were not included in the original budget.

Food service expenditures increased from the original budget primarily due to revised projections for contracted meal service costs and related food service program expenditures. The final budget was updated to reflect anticipated participation levels and operating costs associated with the School's food service program.

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors of
Pinellas Preparatory Academy
Largo, 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 Pinellas Preparatory Academy (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 September 30, 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 opinion 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or, detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We issued a separate management letter pursuant to Chapter 10.850, Rules of the Auditor General dated September 30, 2026.

**Purpose of this Report**

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

# MANAGEMENT LETTER

To the Board of Directors of
Pinellas Preparatory Academy
Largo, Florida

## Report on the Financial Statements

We have audited the financial statements of Pinellas Preparatory Academy, Largo, Florida as of and for the year ended June 30, 2026 and have issued our report thereon dated September 30, 2026.

## Auditor's Responsibility

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

## 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 September 30, 2026, should be considered in conjunction with this management letter.

## Prior Audit Findings

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

There were no findings and recommendations made in the preceding annual financial 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 Pinellas Preparatory Academy, 7171.

**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 Pinellas Preparatory Academy 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 Pinellas Preparatory Academy 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 Pinellas Preparatory Academy. It is management's responsibility to monitor Pinellas Preparatory Academy'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 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 Pinellas Preparatory Academy maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In Connection with our audit, we determined that Pinellas Preparatory Academy 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 that we address 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have 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 Pinellas 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
September 30, 2026

CERTIFIED PUBLIC ACCOUNTANTS