SouthShore Charter Academy

A Department of Florida Charter
Educational Foundation, Inc.
(A Component Unit of the School
District of Hillsborough County, Florida)

Basic Financial Statements
For the Year Ended June 30, 2026

SouthShore Charter Academy

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
SouthShore Charter Academy
A Department of Florida Charter Educational Foundation, Inc.
Riverview, 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 the SouthShore Charter Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School District of Hillsborough 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 financial statements referred to above 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School 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.

Emphasis of Matter

As discussed in Note 1, the financial statements of the School are intended to present the financial position and changes in financial position of only that portion of the governmental activities and each major fund of Florida Charter Educational Foundation, Inc. that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Florida Charter Educational Foundation, Inc. as of June 30, 2026 or its changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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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.

Auditor's 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 GAAS 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 GAAS 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.

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.

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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and the budgetary comparison information on pages 29 through 31 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 GAAS, 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 29, 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, and 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 the School's 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.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
September 29, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of SouthShore Charter Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School District of Hillsborough County, Florida, we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the years ended June 30, 2026 and 2025.

Management's discussion and analysis is included at the beginning of the School's financial statements to provide, in layman's terms, the past and current position of the School's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements.

Financial Highlights

Our financial statements provide these insights into the results of this year's operations.

- As of June 30, 2026, the School's fund balances were $ 6,650,933, as compared to $ 6,208,224 as of June 30, 2025.

- As of June 30, 2026, the School had a net position of $ 1,007,819, as compared to a net position of $ 773,325, as of June 30, 2025.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's financial statements. The School's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The statement of net position presents information on all of the School's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the components reported as net position (deficit). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position (deficit) changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and services rendered but unpaid).

The government-wide financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instruction and instructional support services.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Overview of the Financial Statements (continued)

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains several individual governmental funds. Information is presented in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The General Fund, Grants Fund, Capital Projects Fund, Debt Service Fund and Club and Activities Fund are considered to be the School's major funds.

The School adopts an annual budget for its governmental funds except for the Capital Projects Fund, the Debt Service Fund and the Club and Activities Fund. A budgetary comparison schedule has been provided for the General Fund and Grants Fund to demonstrate compliance with the budget.

The governmental funds financial statements can be found on pages 11 through 14 of this report.

Notes to Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 15 through 28 of this report.

Financial Summary and Detailed Analysis

Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of financial position. In the case of the School, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $ 1,007,819 at the close of the most recent fiscal year.

Government-Wide Financial Analysis (continued)

Our analysis in the table below focuses on the net position of the School's governmental activities:

SouthShore Charter Academy
Net Position

	June 30, 2026	June 30, 2025	Variance
Assets:			
Current and other assets	$ 7,765,916	$ 7,095,787	$ 670,129
Capital assets, net	15,457,334	16,005,278	(547,944)
Total assets	23,223,250	23,101,065	122,185
Liabilities:			
Other liabilities	1,278,390	1,033,165	245,225
Long-term liabilities	20,937,041	21,294,575	(357,534)
Total liabilities	22,215,431	22,327,740	(112,309)
Net Position:			
Net investment in capital assets	(3,771,908)	(3,639,503)	(132,405)
Restricted	392,228	399,998	(7,770)
Unrestricted	4,387,499	4,012,830	374,669
Total net position	$ 1,007,819	$ 773,325	$ 234,494

Current and other assets increased primarily due to an increase in amounts due from other governments and prepaids associated with an increase in referendum funding and local capital outlay revenue. Capital assets, net of depreciation, decreased due to the current depreciation expense of $ 784,669 offset by purchase of new assets of $ 236,725. Other liabilities increased primarily due to an increase in amounts owed to the management company associated with an increased management fee. Long-term liabilities decreased due to the payments on the School's bond payable, net of new note payable borrowings for the purchase of computers.

Governmental Activities: The School's overall net position increased $ 234,494 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

SouthShore Charter Academy
Change in Net Position

	June 30, 2026	June 30, 2025	Variance
Revenues:			
Program revenues:			
Charges for services	$ 367,104	$ 370,808	$ (3,704)
Operating grants and contributions	515,004	994,694	(479,690)
Capital grants and contributions	997,604	920,542	77,062
General revenues:			
FEFP and other nonspecific revenues	10,479,806	9,871,567	608,239
Interest income	193,577	231,171	(37,594)
Miscellaneous income	1,944	130	1,814
Total revenues	$ 12,555,039	$ 12,388,912	$ 166,127

Governmental Activities: (continued)

SouthShore Charter Academy
Changes in Net Position (continued)

	June 30, 2026	June 30, 2025	Variance
Functions/Programs:			
Instruction	$ 4,359,704	$ 4,218,375	$ 141,329
Student support services	354,320	334,369	19,951
Instructional staff training services	28,092	13,176	14,916
Instruction-related technology	385,075	260,242	124,833
Board services	49,262	156,491	(107,229)
General administration -			
District administrative fee	96,361	94,858	1,503
Management fee	1,736,067	1,505,948	230,119
Other	4,068	-	4,068
Administrative services	935,104	868,356	66,748
Fiscal services	15,867	12,805	3,062
Food services	511,411	427,983	83,428
Central services	118,472	1,810	116,662
Operation of plant	1,450,751	1,458,375	(7,624)
Maintenance of plant	427,973	596,668	(168,695)
Administrative technology services	204,096	-	204,096
Community services	138,189	119,850	18,339
Extracurricular activities	153,145	165,192	(12,047)
Interest on long-term debt	1,352,588	1,368,803	(16,215)
Total expenses	12,320,545	11,603,301	717,244
Change in net position (deficit)	234,494	785,611	(551,117)
Net position (deficit) - beginning	773,325	(12,286)	785,611
Net position - ending	$ 1,007,819	$ 773,325	$ 234,494

Program revenues declined primarily due to the expiration of ESSER funding in the prior year, partially offset by an increase in local capital outlay revenue. General revenues increased due to a referendum allocation added in the current year, partially offset by a decline in FEFP revenues associated with an enrollment decline. Total expenses increased due to an increase in the annual management fee, as well as increases in payroll, contracted labor and other costs in instruction, instruction-related technology, central services and administrative technology services, partially offset by reduced costs in board services and maintenance of plant associated with certain nonrecurring costs in the prior year.

Financial Analysis of Governmental Funds

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General Fund was $ 3,952,304 while total fund balance was $ 6,518,705. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 40.65% of total General Fund expenditures, while total fund balance represents 67.04% of that same amount.

Financial Analysis of Governmental Funds (continued)

The fund balance of the School's General Fund increased by $ 450,479 during the current fiscal year. The increase was mainly due to a referendum allocation being added in the current year.

The Grants Fund does not have an increase or decrease in fund balance during the fiscal year as this fund reports federal and certain state expenditure reimbursement grants and food service operations and related revenues and expenditures.

The Capital Projects Fund does not have an increase or decrease in fund balance during the fiscal year since this fund reports state and local capital outlay funding that is used to cover a portion of interest expenditure.

The Debt Service Fund does not have an increase or decrease in fund balance during the current year since this fund is used to account for the accumulation of resources for, and the payment of principal and interest on long-term obligations of governmental funds.

The Club and Activities Fund experienced a decrease in fund balance during the current fiscal year as revenues decreased as a result of lower fundraising and activity participation compared to the prior year.

Significant Capital Asset and Long-term Financing Activity

Capital assets: At June 30, 2026, the School had capital assets of $ 15,457,334, net of accumulated depreciation and amortization, as compared to $ 16,005,278 at June 30, 2025, invested in lease assets, building, furniture, fixtures, and equipment, computer equipment, and improvements other than buildings. Major capital asset additions for the year included $ 207,077 for computer equipment. Additional information on the School's capital assets can be found in Note 7 of this report.

Debt: At June 30, 2026, the School had outstanding debt of $ 20,894,251 as compared to $ 21,253,430 at June 30, 2025. The decrease is a result of scheduled debt payments in accordance with the Bond Indenture and note payable, net of new note payable borrowings for the purchase of computer equipment. Additional information on the School's debt can be found in Notes 8, 9, and 10 of this report.

Currently Known Facts, Decisions, or Conditions

In fiscal year 2026, the state of Florida continued to include a teacher salary increase allocation of $ 1.36 billion. The capital outlay funding pool was $ 231 million.

For fiscal year 2027, the funding for teacher salaries and other instructional personnel will be $ 1.56 billion. Additionally, the state of Florida approved an increase to the base funding allocation and capital outlay. A 2% merit increase for all staff was included in the budget. All other expenditures are budgeted in alignment with the enrollment changes and the school's strategic objectives.

Requests for Information

If you have questions about this report or need additional information, please contact Kera Robinson, Controller - School Accounting; Charter Schools USA, 800 Corporate Drive, Suite 700, Fort Lauderdale, Florida 33334.

BASIC
FINANCIAL STATEMENTS

SouthShore Charter Academy
Statement of Net Position
June 30, 2026

		Governmental Activities
Current Assets:		
Cash and cash equivalents	$	5,343,463
Due from other governments		62,877
Due from related party		170
Other receivables		51,362
Accrued interest receivable		4,321
Prepaid items		346,636
Deposits		19,749
Restricted investments		272,329
Total current assets		6,100,907
Noncurrent Assets:		
Restricted investments		1,665,009
Capital assets (depreciable and amortizable), net of accumulated depreciation and amortization		15,457,334
Total noncurrent assets		17,122,343
Total assets		23,223,250
Current Liabilities:		
Accounts payable and accrued expenses		241,286
Salaries and wages payable		276,186
Due to management company		552,373
Due to related parties		45,138
Accrued interest payable		163,407
Compensated absences		32,092
Bonds payable, net		440,000
Note payable		50,877
Lease payables		53,731
Total current liabilities		1,855,090
Noncurrent Liabilities:		
Compensated absences		10,698
Bonds payable, net		17,897,762
Note payable		51,844
Lease payable		2,400,037
Total noncurrent liabilities		20,360,341
Total liabilities		22,215,431
Net Position:		
Net investment in capital assets		(3,771,908)
Restricted for repair and replacement reserves		260,000
Restricted for extracurricular activities		132,228
Unrestricted		4,387,499
Total net position	$	1,007,819

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

SouthShore Charter Academy
Statement of Activities
For the Year Ended June 30, 2026

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Governmental Activities: Net Revenue (Expense) and Change in Net Position
Functions/Programs:					
Instruction	$ 4,359,704	$ -	$ 18,336	$ -	$ (4,341,368)
Student support services	354,320	-	-	-	(354,320)
Instruction staff training services	28,092	-	3,155	-	(24,937)
Instruction-related technology	385,075	-	-	-	(385,075)
Board services	49,262	-	-	-	(49,262)
General administration -		-			
District administrative fee	96,361	-	-	-	(96,361)
Management fee	1,736,067	-	-	-	(1,736,067)
Other	4,068	-	-	-	(4,068)
Administrative services	935,104	-	3,877	-	(931,227)
Fiscal services	15,867	-	-	-	(15,867)
Food services	511,411	168,937	342,474	-	-
Central services	118,472	-	-	-	(118,472)
Operation of plant	1,450,751	-	-	-	(1,450,751)
Maintenance of plant	427,973	-	-	-	(427,973)
Administrative technology services	204,096	-	-	-	(204,096)
Community services - childcare or VPK salaries, benefits, materials and supplies, etc.	138,189	198,167	4,500	-	64,478
Extracurricular activities	153,145	-	142,662	-	(10,483)
Interest on long-term debt	1,352,588	-	-	997,604	(354,984)
Total governmental activities	$ 12,320,545	$ 367,104	$ 515,004	$ 997,604	(10,440,833)
General revenues:					
FEFP and other nonspecific revenues					10,479,806
Interest income					193,577
Miscellaneous income					1,944
Total general revenues					10,675,327
Change in net position					234,494
Net position, July 1, 2025					773,325
Net position, June 30, 2026					$ 1,007,819

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

SouthShore Charter Academy
Balance Sheet - Governmental Funds
June 30, 2026

	General Fund	Grants Fund	Capital Projects Fund	Debt Service Fund	Club and Activities Fund	Total
Assets:						
Cash and cash equivalents	$ 5,239,073	$ -	$ -	$ -	$ 104,390	$ 5,343,463
Due from other governments	-	3,180	59,697	-	-	62,877
Due from related party	170	-	-	-	-	170
Due from other funds	62,877	-	-	-	27,838	90,715
Other receivables	51,362	-	-	-	-	51,362
Accrued interest receivable	4,321	-	-	-	-	4,321
Prepaid items	346,636	-	-	-	-	346,636
Deposits	19,749			-		19,749
Restricted investments	1,937,338	-	-	-	-	1,937,338
Total assets	7,661,526	3,180	59,697	-	132,228	7,856,631
Liabilities:						
Accounts payable and accrued expenses	241,286	-	-	-	-	241,286
Salaries and wages payable	276,186	-	-	-	-	276,186
Due to management company	552,373	-	-	-	-	552,373
Due to related party	45,138	-	-	-	-	45,138
Due to other funds	27,838	3,180	59,697	-	-	90,715
Total liabilities	1,142,821	3,180	59,697	-	-	1,205,698
Fund Balances:						
Nonspendable:						
Prepaid items	346,636	-	-	-	-	346,636
Deposits	19,749	-	-	-	-	19,749
Restricted for debt service	1,677,338	-	-	-	-	1,677,338
Restricted for repair and replacement reserves	260,000	-	-	-	-	260,000
Restricted for extracurricular activities	-	-	-	-	132,228	132,228
Assigned to subsequent year's budget	262,678	-	-	-	-	262,678
Unassigned	3,952,304	-	-	-	-	3,952,304
Total fund balances	6,518,705	-	-	-	132,228	6,650,933
Total liabilities and fund balances	$ 7,661,526	$ 3,180	$ 59,697	$ -	$ 132,228	$ 7,856,631

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

SouthShore Charter Academy
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2026

Total Fund Balances - Governmental Funds		$ 6,650,933
Amounts reported for governmental activities in the statement of net position are different because:		
The cost of capital assets acquired is reported as an expenditure in the governmental fund statements. The statement of net position includes those capital assets, net of accumulated depreciation and amortization, among the assets of the School as a whole.		
Cost of capital assets	$ 22,651,696	
Accumulated depreciation and amortization	(7,194,362)	15,457,334
Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.		
Accrued interest payable	(163,407)	
Compensated absences	(42,790)	
Bonds payable, net	(18,337,762)	
Note payable	(102,721)	
Lease payable	(2,453,768)	(21,100,448)
Net Position of Governmental Activities		$ 1,007,819

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

SouthShore Charter Academy
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2026

	General Fund	Grants Fund	Capital Projects Fund	Debt Service Fund	Club and Activities Fund	Total
Revenues:						
Federal sources	$ -	$ 368,824	$ -	$ -	$ -	$ 368,824
State sources:						
Florida Education Finance Program	9,457,252	-	-	-	-	9,457,252
State capital outlay and debt service	-	-	767,299	-	-	767,299
National School Lunch Program	-	3,518	-	-	-	3,518
Local sources	1,024,498	168,937	230,305	-	142,662	1,566,402
Childcare revenue	198,167	-	-	-	-	198,167
Interest income	190,864	-	-	-	2,713	193,577
Total revenues	10,870,781	541,279	997,604	-	145,375	12,555,039
Expenditures:						
Current:						
Instruction	4,323,018	18,336	-	-	-	4,341,354
Student support services	354,320	-	-	-	-	354,320
Instructional staff training services	24,937	3,155	-	-	-	28,092
Instruction-related technology	241,539	-	-	-	-	241,539
Board services	49,262	-	-	-	-	49,262
General administration						
District administrative fee	96,361	-	-	-	-	96,361
Management fee	1,736,067	-	-	-	-	1,736,067
Other	4,068	-	-	-	-	4,068
Administrative services	931,227	3,877	-	-	-	935,104
Fiscal services	15,867	-	-	-	-	15,867
Food services	-	511,411	-	-	-	511,411
Central services	118,472	-	-	-	-	118,472
Operation of plant	937,409	-	-	-	-	937,409
Maintenance of plant	427,973	-	-	-	-	427,973
Administrative technology services	93,010	-	-	-	-	93,010
Community services - childcare or VPK salaries, benefits, materials and supplies, etc.	133,689	4,500	-	-	-	138,189
Extracurricular activities	-	-	-	-	153,145	153,145
Capital outlay	236,725	-	-	-	-	236,725
Debt service:						
Principal	-	-	-	525,341	-	525,341
Interest	-	-	997,604	326,567	-	1,324,171
Total expenditures	9,723,944	541,279	997,604	851,908	153,145	12,267,880
Excess (deficiency) of revenues over (under) expenditures	1,146,837	-	-	(851,908)	(7,770)	287,159
Other Financing Sources (Uses):						
Issuance of note payable	155,550	-	-	-	-	155,550
Transfer in	-	-	-	851,908	-	851,908
Transfer out	(851,908)	-	-	-	-	(851,908)
Total other financing sources (uses)	(696,358)	-	-	851,908	-	155,550
Net change in fund balances	450,479	-	-	-	(7,770)	442,709
Fund Balances, July 1, 2025	6,068,226	-	-	-	139,998	6,208,224
Fund Balances, June 30, 2026	$ 6,518,705	$ -	$ -	$ -	$ 132,228	$ 6,650,933

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

SouthShore Charter Academy
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances
of the Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2026

Net Change in Fund Balances - Governmental Funds		$ 442,709
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 costs of those assets are depreciated and amortized over their estimated useful lives as depreciation and amortization.		
Capital outlays	$ 236,725	
Depreciation and amortization	(784,669)	(547,944)
Principal payments on long-term debt are reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the statement of net position.		525,341
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(155,550)
Certain items reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.		
Change in compensated absences	(1,645)	
Change in accrued interest payable	(17,805)	
Amortization of bond discount	(10,612)	(30,062)
Change in Net Position of Governmental Activities		$ 234,494

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

Note 1 - Organization and Operations

The Florida Charter Educational Foundation, Inc. ("FCEF") was organized in October 2000 as a Florida nonprofit corporation. SouthShore Charter Academy (the “School”) is a Department of the Foundation and is established as a charter school to serve students from kindergarten to eighth grade in Hillsborough County. There were 1,159 students enrolled for the 2025/2026 school year.

The financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of FCEF as of June 30, 2026, or its changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The School operates under a charter granted by the sponsoring School District of Hillsborough County (the “District”). The current charter is effective until June 2041, and may be renewed by mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case the District is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable which would require inclusion in the School's financial statements.

Basis of presentation: The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-wide financial statements: Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Note 2 - Summary of Significant Accounting Policies (continued)

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund financial statements: Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental funds financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental funds financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental funds financial statements.

The School's major governmental funds are as follows:

General Fund - This fund is used to account for all operating activities of the School except for those required to be accounted for in another fund.

Grants Fund - This special revenue fund is used to account for federal grants and certain state grants that are legally restricted for specific program purposes. The fund also accounts for food service operations and related revenues and expenditures that are restricted for food service activities.

Capital Projects Fund - This fund is used to account for state and local capital outlay funding that is legally restricted to expenditures for particular purposes.

Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, principal and interest on long-term obligations of governmental funds.

Club and Activities Fund - This special revenue fund is used to administer funds raised and earned by the various clubs and activities that are part of the School but restricted for use in the extracurricular activities.

During the course of operations, the School has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the governmental fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Basis of accounting: Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Note 2 - Summary of Significant Accounting Policies (continued)

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 120 days of the end of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source.

All other revenue items are considered to be measurable and available only when cash is received by the School. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Student funding is provided by the State of Florida through the District. Such funding is recorded as FEFP revenue in the government-wide financial statements and state source revenue in the fund financial statements. This funding is received on a prorated basis over a twelve-month period and is adjusted for changes in full-time equivalent (FTE) student population.

Cash and cash equivalents: The School considers all demand accounts and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents. The School maintains its cash accounts with one financial institution. The School's accounts at this institution, at times, may exceed the federal insured limit, however, the School's deposits are collateralized in accordance with Chapter 280 of the Florida Statutes (Note 3).

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Income taxes: The School is a department of a nonprofit corporation. Revenue of the School is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements.

Capital assets: Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost equal to or greater than $ 750 and useful life of over one year. Donated capital assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Note 2 - Summary of Significant Accounting Policies (continued)

Depreciation on all capital assets is provided on the straight-line basis over the estimated useful lives as follows:

Building	40 years
Improvements other than building	10 years
Furniture, fixtures and equipment	5 years
Computer equipment	3 years

The School has recorded a right-to-use lease asset as required by GAAP. The right-to-use asset is 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 asset is amortized on a straight-line basis over the life of the related lease.

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 assets that applies to future periods 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 assets that applies to future periods 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.

Unearned revenue: Unearned revenue arises when the School receives resources before it has a legal claim to them.

Compensated absences: The School's policy permits employees to accumulate earned but unused paid time off, which is eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Payments for compensated absences are generally paid out of the General Fund.

Net position: Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation and amortization reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

- Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

- Unrestricted - the residual portion of net position that does not meet the definition of the other two categories.

Note 2 - Summary of Significant Accounting Policies (continued)

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balance: The governmental fund financial statements present fund balances based on the provisions of GAAP, which provide clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental funds financial statements:

- Nonspendable - this classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies inventories, prepaid items, long-term notes receivable and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted - this classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.

- Committed - this classification includes amounts that can be used for specific purposes voted on through formal action of the Board of Directors (the highest level of decision-making authority). The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.

- Assigned - this classification includes amounts that the Board of Directors intends to use for a specific purpose, but they are neither restricted nor committed. The School classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.

- Unassigned - this classification includes amounts that have not been restricted, committed or assigned for a specific purpose within the General Fund.

The details of the fund balances are included in the Governmental Funds Balance Sheet on page 11.

When the School incurs expenditures for which restricted or unrestricted fund balance is available, the School would consider restricted funds to be spent first. When the School has expenditures for which committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Summary of Significant Accounting Policies (continued)

Adoption of new accounting standards: The School implemented GASB Statement No. 103, *Financial Reporting Model Improvements*, during the year ended June 30, 2026. The Statement revised certain financial reporting requirements, including the content and presentation of management's discussion and analysis and other financial statement presentation and disclosure requirements.

The School also implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*, which addresses obligations for governmental entities to separately disclose certain types of capital assets. Implementation did not change the presentation and related disclosures of the School.

The adoption of both standards did not affect any amounts previously reported in the School's financial statements.

Date of management review: The School has evaluated subsequent events through September 29, 2026, which is the date the financial statements were available to be issued.

Note 3 - Cash and Cash Equivalents

At June 30, 2026, the carrying amount of the deposits and cash on hand totaled $ 5,343,463 with bank balances of $ 5,374,689.

State statutes require, and it is the School's policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as "qualified public depositories" as defined by Chapter 280 of the Florida Statutes. This Statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the Treasurer are defined by the Statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School's deposits of $ 5,124,689 in excess of the federal insured limit of $ 250,000 are held in a qualified public depository and are covered by the collateral pool held in the name of the financial institution's trust department or agent, but not in the School's name.

Note 4 - Interfund Receivables and Payables and Interfund Transfers

The composition of interfund balances as of June 30, 2026, is as follows:

Due From/To Other Funds

Receivable Fund	Payable Fund		Amount
General Fund	Grants Fund	$	3,180
General Fund	Capital Projects Fund		59,697
Club and Activities Fund	General Fund		27,838
		$	90,715

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 4 - Interfund Receivables and Payables and Interfund Transfers (continued)

The composition of interfund transfers for the year ended June 30, 2026, is as follows:

	Transfers In Debt Service Fund
Transfers Out:	
General Fund	$ 851,908

During the year, transfers were made from General Fund to Debt Service Fund to provide resources for scheduled debt service principal and interest payments.

Note 5 - Due From/To Related Parties

Due from/to related parties represent amounts that are due from FCEF and to other schools that share common board membership and are Departments of FCEF which are expected to be repaid within one year.

Note 6 - Restricted Investments

Previously, FCEF issued bonds to finance the acquisition of facilities and equipment for two of its schools, including the School (see Note 8). The restricted investments of the School are held by the Trustee and are governed by the Bond Indenture. The Bond Indenture authorizes the Trustee to invest in obligations of the United States or any state, obligations issued by a government sponsored agency, U.S. denominated deposit accounts, certificates of deposit and banker's acceptances, commercial paper, bonds, notes or debentures guaranteed by a corporation, investment agreements with banks, repurchase agreement secured by government obligations, investments in a money market fund and shares in any investment company, money market mutual fund, fixed income mutual fund or exchange traded fund. In accordance with the Bond Indenture, the Trustee has $ 1,937,338 invested in a money market fund that is stated at amortized cost which approximates fair value.

Generally, *credit risk* is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The exposure to credit risk is limited because the money market fund is rated AAA-mf by Moody's.

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The exposure to declines in fair values is limited because the weighted average maturity of the money market fund is 44 days.

Note 7 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2026, are as follows:

	Balance at July 1, 2025	Additions	Deletions	Balance at June 30, 2026
Capital assets being depreciated/ amortized:				
Building	$ 16,583,949	$ -	$ -	$ 16,583,949
Improvements other than building	637,472	-	-	637,472
Furniture, fixtures and equipment	882,414	29,648	-	912,062
Computer equipment	1,749,878	207,077	-	1,956,955
Lease assets:				
Land	2,400,037	-	-	2,400,037
Computer equipment	161,221	-	-	161,221
Total capital assets being depreciated/amortized	22,414,971	236,725	-	22,651,696
Accumulated depreciation/ amortization:				
Building	3,558,639	380,049	-	3,938,688
Improvements other than building	169,534	80,911	-	250,445
Furniture, fixtures and equipment	861,868	16,705	-	878,573
Computer equipment	1,481,450	196,403	-	1,677,853
Lease assets:				
Land	288,940	52,382	-	341,322
Computer equipment	49,262	58,219	-	107,481
Total accumulated depreciation/ amortization	6,409,693	784,669	-	7,194,362
Net capital assets being depreciated/amortized	$ 16,005,278	$ (547,944)	$ -	$ 15,457,334

Depreciation and amortization was charged to governmental activities as follows:

Instruction	$ 16,705
Instruction-related technology	143,536
Operation of plant	513,342
Administrative technology services	111,086
Total	$ 784,669

Note 8 - Bonds Payable

The Florida Development Finance Corporation (the "Corporation") previously issued $ 40,900,000 in Tax Exempt Educational Facilities Revenue Bonds, Series 2016A and $ 370,000 in Taxable Educational Facilities Revenue Bonds, Series 2016B pursuant to an Indenture of Trust between the Corporation and a Trustee to make a loan to FCEF, a division of which the School exists to finance the acquisition of the facilities and equipment of two charter schools existing under FCEF. The Series 2016A Bonds bear interest at 5.125% through June 2026, then at 6.250% through June 2036 and finally at 6.375% through June 2046. Principal and interest will be paid semi-annually on June 15 and December 15. In order to secure the payment of the principal and interest on the Bonds, the Corporation assigned all of its rights and interest in the loan agreement to the Trustee. The Bonds are payable from and secured by a lien upon and pledge of payments to be received by the Trustee.

Upon the occurrence of an event of default as described in the Bond Indenture, the rate of interest on the Bonds shall be adjusted to bear interest at a rate equal to the rate on the Bonds plus three percent (3%) per annum until such event of default has been cured. In addition, the owners of not less than 25% of the bonds outstanding may declare the principal and interest to be immediately due and payable.

The School's share of the annual debt service requirements to maturity for the Series 2016 Bond is as follows:

Year Ending June 30,	Principal	Interest	Total
2027	$ 440,000	$ 1,168,294	$ 1,608,294
2028	470,000	1,140,481	1,610,481
2029	500,000	1,110,638	1,610,638
2030	530,000	1,078,763	1,608,763
2031	565,000	1,045,169	1,610,169
2032-2036	3,410,000	4,639,906	8,049,906
2037-2041	4,645,000	3,398,672	8,043,672
2042-2046	7,990,000	1,658,296	9,648,296
	$ 18,550,000	$ 15,240,219	$ 33,790,219

The Bond Indenture requires that the School maintain a lease payment coverage ratio of 1.00. As of June 30, 2026, the School is in compliance with this covenant.

Note 9 - Lease Payables

Concurrent with the Series 2016 Bond issuance (see Note 8), subsidiaries of Red Apple Development, LLC ("RAD") entered into two land lease agreements with FCEF. The land which is owned by RAD is leased by FCEF on behalf of the schools under a 45-year lease. The lease agreement qualifies as other than short-term leases under GAAP and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The discount rate used to recognize the lease asset and the lease liability was 5.916%. For the year ended June 30, 2026, the School incurred interest expense of $ 130,392 for this lease payable. In addition to rent, FCEF shall pay to RAD the total cost of ad valorem taxes, assessments and levies imposed upon the premises which totaled $ 4,068 for the year ended June 30, 2026.

Note 9 - Lease Payables (continued)

The School also has a lease arrangement for computer equipment. The lease requires monthly payments of $ 4,582, including interest at 2.32%. Principal and interest payments are due through June 2027.

The following is a schedule of the School's future lease payments as of June 30, 2026 in connection with these leases:

Year Ending June 30,	Principal	Interest	Total
2027	$ 53,731	$ 150,453	$ 204,184
2028	-	150,119	150,119
2029	-	150,923	150,923
2030	-	151,611	151,611
2031	-	152,170	152,170
2032-2036	-	763,931	763,931
2037-2041	-	751,327	751,327
2042-2046	142,059	705,794	847,853
2047-2051	415,413	613,055	1,028,468
2052-2056	681,892	453,620	1,135,512
2057-2061	1,052,727	200,969	1,253,696
2062	107,946	1,602	109,548
	$ 2,453,768	$ 4,245,574	$ 6,699,342

Note 10 - Note Payable

During the year, the School entered into a note payable arrangement for the purchase of certain computer equipment. The note requires annual payments of $ 52,829 including interest at 1.9% through August 2027.

The following is a schedule of the future minimum payments under the note payable agreement as of June 30, 2026:

Year Ending June 30,	Principal	Interest	Total
2027	$ 50,877	$ 1,952	$ 52,829
2028	51,844	985	52,829
	$ 102,721	$ 2,937	$ 105,658

Note 11 - Long-Term Liabilities

Changes in the School's long-term liabilities for the fiscal year ended June 30, 2026, are as follows:

	Balance at July 1, 2025	Additions	Deletions	Amortization	Balance at June 30, 2026	Amount Due Within One Year
Series 2016 Educational Facilities Revenue Bonds, net of unamortized discount of $ 212,238	$ 18,747,150	$ -	$ 420,000	$ 10,612	$ 18,337,762	$ 440,000
Lease - land	2,400,037	-	-	-	2,400,037	-
Lease - computer equipment	106,243	-	52,512	-	53,731	53,731
Note payable	-	155,550	52,829	-	102,721	50,877
Compensated absences	41,145	1,645 *	-	-	42,790	32,092
	$ 21,294,575	$ 157,195	$ 525,341	$ 10,612	$ 20,937,041	$ 576,700

* Change in compensated absences above is a net change for the year.

Note 12 - Federal, State and Local Revenue Sources

The School recorded the following revenues for the year ended June 30, 2026:

Federal:	
National School Lunch Program	$ 338,956
Title III	4,500
Title IV	25,368
State:	
Florida Education Finance Program	9,457,252
State capital outlay and debt service	767,299
National School Lunch Program	3,518
Local:	
Referendum funding	1,022,554
Local capital outlay	230,305
Food service revenue	168,937
Childcare revenue	198,167
Interest income	193,577
Extracurricular activities	142,662
Miscellaneous income	1,944
	$ 12,555,039

Note 13 - Employee Benefit Plan

During the year ended June 30, 2026, the School offered all of its full-time employees who had attained 21 years of age, a retirement plan (the "Plan") under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 100% of his/her annual gross compensation, subject to certain limitations. The Plan provides for a discretionary employer matching contribution of the participant's annual elective deferral to the Plan. As determined annually by the School's management, the School may also make a discretionary profit-sharing contribution, which is allocated among the participants based on a pro rata formula. Participants are immediately vested in their own contributions and earnings on those contributions.

Participants become vested in School contributions and earnings on School contributions according to the following schedule:

Years of Service	Vesting Percentage
1	25%
2	50%
3	75%
4	100%

Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to reduce any employer contribution. For the Plan year ending December 31, 2025, the School had forfeitures of $ 4,979. For the year ended June 30, 2026, the School contributed a matching amount of $ 26,175.

Note 14 - Commitments and Contingencies

Management agreement: The School has a formal agreement with Charter Schools USA at Big Bend, LLC, a wholly owned subsidiary of Charter Schools USA, Inc. ("CSUSA") to manage, staff, and operate the School. The agreement will automatically renew for five-year periods unless terminated by either party. The agreement states that CSUSA shall be entitled to cost reimbursements and management fees (the "fee") for its services, subject to availability of funds. The fee is subordinated to all bond payment requirements (Note 8). CSUSA received a fee of $ 1,736,067 for the year ended June 30, 2026. The fee ranges from $ 1,566,789 for fiscal year 2027 to $ 2,282,515 for fiscal year 2046 as defined in the agreement or the budgeted amount approved by the Board of Directors based on enrollment and School performance.

The School also has an amount of $ 552,373 due to CSUSA at June 30, 2026 for expenses paid on behalf of the School.

Post-employment benefits: The School does not provide post-employment benefits to retired employees.

Note 15 - Capital Appropriations Funding

The Florida Department of Education has approved a Charter School Capital Outlay ("CSCO") award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes those funds are allocated among eligible charter schools. The funds for the School's allocation are transferred to the School once a CSCO plan has been provided to and approved by the sponsoring District. The School's CSCO award totaled $ 767,299 for the 2025/2026 school year which has been recognized as revenue in the accompanying basic financial statements. If the CSCO funds are used to acquire tangible property assets, the District has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the District. The School has elected to use these funds to pay a portion of interest expenditures.

Local Capital Improvement Revenue ("LCIR") funds are also appropriated by the District for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the CSCO award. The School's LCIR totaled $ 230,305 for the 2025/2026 school year which has been recognized as revenue in the accompanying financial statements.

Note 16 - Florida Education Finance Program (FEFP) Funding

The basic amount of funding through the FEFP under Section 1011.62 is the product of (1) the School's unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the 2025/2026 school year, the School reported 1,163.22 unweighted FTE. Weighted funding represented approximately 2.68% of total state funding.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code ("FAC"). Schools are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC)
- Teacher certificates and certification documentation (Rule 6A-1.0503, FAC)
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC)
- Evaluation and planning documents for weighted programs (Sections 1011.62(1)(e), FS, and Rule 6A-6.03411, FAC).

Note 17 - Risk Management

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets and natural disasters. The School has obtained property insurance from commercial companies including, but not limited to, general liability and errors and omissions insurance. There were no claims in excess of insurance coverage limits during the past three years.

As disclosed in Note 14, CSUSA employs all of the employees of the School. As a result, the School is not exposed to medical or workers' compensation claims for these individuals. In addition, CSUSA carries all required insurance including, but not limited to, general liability and errors and omissions insurance.

REQUIRED SUPPLEMENTARY INFORMATION

SouthShore Charter Academy
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2026

	Original Budget	Final Budget	Original vs. Final Budget Variance	Actual	Actual vs. Final Budget Variance
Revenues:					
State sources:					
Florida Education Finance Program	$ 9,757,512	$ 9,757,512	$ -	$ 9,457,252	$ (300,260)
Local sources	54,172	54,172	-	1,024,498	970,326
Aftercare	249,015	249,015	-	198,167	(50,848)
Interest income	218,758	218,758	-	190,864	(27,894)
Total revenues	10,279,457	10,279,457	-	10,870,781	591,324
Expenditures:					
Current:					
Instruction	4,804,308	4,804,308	-	4,323,018	481,290
Student support services	82,030	82,030	-	354,320	(272,290)
Instructional staff training services	16,767	16,767	-	24,937	(8,170)
Instruction-related technology	241,460	241,460	-	241,539	(79)
Board services	59,228	59,228	-	49,262	9,966
General administration					
District administrative fee	101,579	101,579	-	96,361	5,218
Management fee	1,543,328	1,743,328	200,000	1,736,067	7,261
Other	-	-	-	4,068	(4,068)
Administrative services	921,849	921,849	-	931,227	(9,378)
Fiscal services	-	-	-	15,867	(15,867)
Food services	94,029	94,029	-	-	94,029
Central services	8,850	8,850	-	118,472	(109,622)
Transportation services	4,815	4,815	-	-	4,815
Operation of plant	1,126,487	1,126,487	-	937,409	189,078
Maintenance of plant	430,408	430,408	-	427,973	2,435
Administrative technology services	-	-	-	93,010	(93,010)
Community services	161,768	161,768	-	133,689	28,079
Capital outlay	449,022	449,022	-	236,725	212,297
Total expenditures	10,045,928	10,245,928	200,000	9,723,944	521,984
Excess of revenues over expenditures	233,529	33,529	(200,000)	1,146,837	1,113,308
Other Financing Sources (Uses):					
Issuance of note payable	157,800	157,800	-	155,550	(2,250)
Transfer out	(328,446)	(328,446)	-	(851,908)	(523,462)
Total other financing sources (uses)	(170,646)	(170,646)	-	(696,358)	(525,712)
Net change in fund balance	$ 62,883	$ (137,117)	$ (200,000)	450,479	$ 587,596
Fund Balance, July 1, 2025				6,068,226	
Fund Balance, June 30, 2026				$ 6,518,705	

See accompanying notes to budgetary comparison schedules.

SouthShore Charter Academy
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Grants Fund
For the Year Ended June 30, 2026

	Original Budget	Final Budget	Original vs. Final Budget Variance	Actual	Actual vs. Final Budget Variance
Revenues:					
Federal sources:					
National School Lunch Program	$ 331,878	$ 331,878	$ -	$ 338,956	$ 7,078
Title III	-	-	-	4,500	4,500
Title IV	12,888	12,888	-	25,368	12,480
State sources:					
National School Lunch Program	-	-	-	3,518	3,518
Local sources:					
Cafeteria sales	-	-	-	168,937	168,937
Total revenues	344,766	344,766	-	541,279	196,513
Expenditures:					
Current:					
Instruction	12,888	12,888	-	18,336	(5,448)
Instruction staff training services	-	-	-	3,155	(3,155)
Administrative services	-	-	-	3,877	(3,877)
Food services	331,878	331,878	-	511,411	(179,533)
Community services	-	-	-	4,500	(4,500)
Total expenditures	344,766	344,766	-	541,279	(196,513)
Net change in fund balance	$ -	$ -	$ -	-	$ -
Fund Balance, July 1, 2025				-	
Fund Balance, June 30, 2026				$ -	

See accompanying notes to budgetary comparison schedules.

Note 1 - Budgetary Policy and Basis of Accounting

An operating budget is adopted and maintained by the Governing Board for all governmental funds except the Capital Projects Fund, the Debt Service Fund and the Club and Activities Fund, pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the financial statements.

The level of budgetary control is at the fund level. The School Principal may make unlimited transfers between functional categories throughout the year. Any budget transfers made must be discussed with management and presented to the Governing Board. A potential increase in expenditures over approved budget should be approved by the Governing Board.

Note 2 - Significant Variances between Original Budget and Final Budget

The General Fund budget for the year ended June 30, 2026, was amended to reflect changes to expenditures for $ 200,000 reflecting a board approved increase in the support center cost reimbursements.

There was no variance between the Original Budget and Final Budget for the Grants Fund.

Note 3 - Significant Variances between Actual Results and Final Budget

In the General Fund, actual revenues were favorable to the final budget for the year ended June 30, 2026, primarily due to higher-than-budgeted referendum revenues recorded in local sources revenue. This favorable variance was offset by an unfavorable variance for Florida Education Finance Program revenues due to lower than projected enrollment. Total expenditures were favorable compared to the final budget, primarily due to lower-than-budgeted instruction costs, resulting from lower instructional personnel, as well as savings in operation of plant due to lower-than-budgeted property and liability insurance and custodial services. These favorable variances were partially offset by unfavorable variances in student support services and central services associated with payroll costs in those functions. Transfers out were unfavorable to the budget due to larger than anticipated debt service costs.

In the Grants Fund, actual revenues were favorable compared to the final budget for the year ended June 30, 2026, resulting from higher local cafeteria sales. Total expenditures in the Grants Fund were unfavorable compared to the final budget, primarily due to higher-than-budgeted costs associated with the food service program.

Note 4 - Excesses of Expenditures over Appropriations

In the Grants Fund, expenditures for the year ended June 30, 2026, exceeded appropriations by $ 196,513. These over-expenditures were funded by greater than anticipated revenues.

OTHER INDEPENDENT AUDITOR'S REPORTS

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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
SouthShore Charter Academy
A Department of Florida Charter Educational Foundation, Inc.
Riverview, 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 SouthShore Charter Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc. and a component unit of the School District of Hillsborough 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 and have issued our report thereon dated September 29, 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 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 have not been identified.

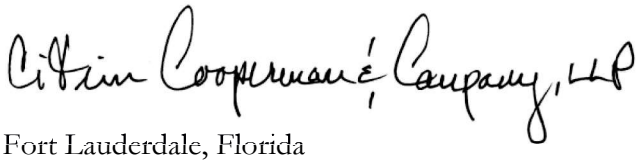
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Report on Compliance and Other Matters

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*.

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.



Fort Lauderdale, Florida
September 29, 2026

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MANAGEMENT LETTER REQUIRED BY CHAPTER 10.850 OF THE *RULES OF THE AUDITOR GENERAL* OF THE STATE OF FLORIDA

To the Board of Directors
SouthShore Charter Academy
A Department of Florida Charter Educational Foundation, Inc.
Riverview, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities and each major fund of SouthShore Charter Academy (the "School"), a Department of Florida Charter Educational Foundation, Inc., as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 29, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's 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 that report, which is dated September 29, 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 or recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., *Rules of the Auditor General*, requires that 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 School are SouthShore Charter Academy and 297806.

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

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

Section 10.854(1)(e)3., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website 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 have occurred, or are likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, the School District of Hillsborough County and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
September 29, 2026

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