

**TRUE NORTH CLASSICAL ACADEMY
(MSID 1000)
MIAMI, FLORIDA
(A CHARTER SCHOOL UNDER TRUE NORTH
CLASSICAL ACADEMY, INC.)**

**BASIC FINANCIAL STATEMENTS, INDEPENDENT
AUDITOR'S REPORT AND SUPPLEMENTARY
INFORMATION**

JUNE 30, 2026

TRUE NORTH CLASSICAL ACADEMY

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JUNE 30, 2026

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TRUE NORTH CLASSICAL ACADEMY
(A Charter School under True North Classical Academy, Inc.)

9393 Sunset Drive
Miami, FL 33173
(305) 749-5725

2025-2026

BOARD OF DIRECTORS

Mr. Luis E. Diaz, Chair
Mr. Rudy Pages, Secretary
Mr. Ernesto Rodriguez, Member
Mr. Kent (Pete) Windhorst, Member
Mr. Jose Felix Diaz, Member

SCHOOL ADMINISTRATION

Ms. Jeanine Finlay, Head of School



Verdeja • Alvarez

Certified Public Accountants & Advisors



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
True North Classical Academy
Miami, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of True North Classical Academy (the "School"), a charter school under True North Classical Academy, Inc., 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, each major fund, and the aggregate remaining fund information 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. 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted 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, 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 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 Matters

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School as of June 30, 2026, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of True North Classical Academy, Inc. These financial statements do not purport to and do not present fairly the financial position of True North Classical Academy, Inc. as of June 30, 2026 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 9, 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 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 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.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 9, 2026

Management's Discussion and Analysis
True North Classical Academy
(A Charter School under True North Classical Academy, Inc.)
June 30, 2026

The corporate officers of True North Classical Academy (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2026, the tenth full year of operations.

FINANCIAL HIGHLIGHTS

1. The School's net position was \$2,806,993 as of June 30, 2026.
2. At year-end, the School had current assets of \$5,174,525.
3. The School had a positive fund balance of \$4,045,877 at June 30, 2026.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

The government-wide financial statements can be found on pages 11 – 12 of this report.

Fund Financial Statements

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

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Management's Discussion and Analysis
True North Classical Academy
(A Charter School under True North Classical Academy, Inc.)
June 30, 2026

Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 13 – 16 of this report.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 17 – 26 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2026 and 2025 follows:

Assets	2026	2025
Cash	\$ 4,939,942	\$ 3,552,516
Due from other agencies	139,893	217,005
Prepaid expenses and other assets	94,690	70,622
Capital and right-of-use assets, net	28,910,992	29,735,676
Total Assets	<u>\$ 34,085,517</u>	<u>\$ 33,575,819</u>
 Liabilities and Net Position		
Accounts and wages payable and accrued liabilities	\$ 1,128,648	\$ 1,030,268
Due to related parties, net	-	26,710
Right-of-use liability	30,149,876	30,541,369
Total Liabilities	<u>31,278,524</u>	<u>31,598,347</u>
 Net investment in capital and right-of-use assets (deficit)	 (1,238,884)	 (805,693)
Restricted	170,929	(76,636)
Unrestricted	3,874,948	2,859,801
Total Net Position	<u>2,806,993</u>	<u>1,977,472</u>
 Total Liabilities and Net Position	 <u>\$ 34,085,517</u>	 <u>\$ 33,575,819</u>

Management's Discussion and Analysis
True North Classical Academy
June 30, 2026

At June 30, 2026, the School's total assets were \$34,085,517 and total liabilities were \$31,278,524. At June 30, 2026, the School reported total net position of \$2,806,993. This was the School's tenth year of operations.

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

REVENUES	<u>2026</u>	<u>2025</u>
Program Revenues		
Federal grants	\$ 288,917	\$ 623,216
Capital outlay funding	2,301,897	1,603,595
Charges for services	2,270,084	1,972,320
General Revenues		
FEFP nonspecific revenue	13,524,220	12,583,434
Local tax referendum	3,727,305	3,303,469
Fundraising, contributions and other revenue	951,710	821,771
Total Revenues	<u>23,064,133</u>	<u>20,907,805</u>
 EXPENSES		
Instruction	10,471,434	9,369,296
Student and instructional support services	839,933	766,128
General administration	41,478	43,182
School administration	2,064,786	2,179,942
Central services	761,988	14,515
Fiscal services	68,461	406,530
Food services	589,306	537,211
Pupil transportation services	59,669	40,946
Operation of plant	3,823,672	3,692,730
Administrative technical services	118,927	119,834
Community services and student and extracurricular activities	2,133,853	2,011,409
Interest expense	1,261,105	1,278,394
Total Expenses	<u>22,234,612</u>	<u>20,460,117</u>
 Change in Net Position	829,521	447,688
 Net Position at Beginning of Year	<u>1,977,472</u>	<u>1,529,784</u>
Net Position at End of Year	<u>\$ 2,806,993</u>	<u>\$ 1,977,472</u>

The School's total revenues for the year ended June 30, 2026 were \$23,064,133 while its total expenses were \$22,234,612 for a net increase of \$829,521. Revenues increased compared to the prior year primarily due to increases in state capital outlay funding, FEFP funding, local tax referendum revenue, and charges for services and other local sources. Expenses increased primarily due to higher instruction, central services, operation of plant, and student and extracurricular activity costs.

Management's Discussion and Analysis
True North Classical Academy
June 30, 2026

ACCOMPLISHMENTS

True North's mission is for our scholars to achieve their highest potential through a rigorous, knowledge-rich curriculum that is grounded in the classical liberal arts tradition that holds intellectual and moral virtue as the noblest of aims. Once again, all True North schools received an A grade by the Florida Department of Education and rank amongst the top schools in Florida. True North's unique mission is present in the school culture. Parents are deeply appreciative of the moral and joyful school culture. This was reflected in the year-end parent surveys. Across the school's parent survey showed that 98% of parents rated the school an A or B on the question of "my child enjoys attending True North", and "True North positively shaped their children's character." The high level of parental enthusiasm is the main reason the school's reputation so quickly spread and resulted in over 3,500 students applying across our schools for the 2026-27 school year.

SCHOOL LOCATION

The School operates in the Miami area at 9393 Sunset Drive, Miami, FL 33173 and 7900 SW 86TH Street, Miami FL 33143.

CAPITAL IMPROVEMENT REQUIREMENT

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

GOVERNMENTAL FUNDS

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

At the end of the fiscal year, the School's governmental funds reported a combined fund balance of \$4,045,877 in its tenth full year of operations, and the School had an increase in fund balance of \$1,262,712.

CAPITAL AND RIGHT-OF-USE ASSETS

The School's investment in capital and right-of-use assets, as of June 30, 2026, amounts to \$28,910,992 (net of accumulated depreciation and amortization). This investment includes right-of-use assets related to facilities, leasehold improvements, furniture, textbooks, fixtures and equipment, and audiovisual materials and computer software, net of related long-term liabilities.

Management's Discussion and Analysis
True North Classical Academy
June 30, 2026

GOVERNMENTAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 12,936,470	\$ 12,936,470	\$ 13,524,220
Local tax referendum	3,270,919	3,270,919	3,727,305
State capital outlay funding	1,654,917	1,654,917	2,301,897
Federal grants	-	-	288,917
Charges and other miscellaneous local sources	2,617,641	2,617,641	3,221,794
TOTAL REVENUES	20,479,947	20,479,947	23,064,133
EXPENDITURES			
Instruction	10,181,164	10,181,164	10,277,037
Student and instructional support services	905,625	905,625	839,933
General administration	-	-	41,478
School administration	1,201,202	1,201,202	1,931,201
Central services	775,500	775,500	761,988
Fiscal services	101,493	101,493	68,461
Food services	416,956	416,956	589,306
Pupil transportation services	-	-	29,512
Operation of plant	2,480,038	2,480,038	2,878,757
Administrative technical services	162,226	162,226	118,927
Community services	158,344	158,344	237,276
Student and extracurricular activities	1,004,763	1,004,763	1,896,577
Other capital outlay	356,811	356,811	478,370
Debt service	1,970,364	1,970,364	1,652,598
TOTAL EXPENDITURES	19,714,486	19,714,486	21,801,421
NET CHANGE IN FUND BALANCE	\$ 765,461	\$ 765,461	\$ 1,262,712

Management's Discussion and Analysis
True North Classical Academy
June 30, 2026

GOVERNMENTAL FUND BUDGET ANALYSIS (Continued)

The School did not amend its initial budget during the fiscal year. The School's net change in fund balance per the final budget is consistent with actual results.

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Mr. Leandro Gonzalez located at 6500 SW 97th Avenue, Miami, FL 33173.

TRUE NORTH CLASSICAL ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 4,939,942
Due from other agencies	139,893
Prepaid expenses and other assets	94,690
TOTAL CURRENT ASSETS	<u>5,174,525</u>
CAPITAL AND RIGHT-OF-USE ASSETS, NET	<u>28,910,992</u>
TOTAL ASSETS	<u><u>\$ 34,085,517</u></u>
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	\$ 182,017
Accrued wages payable	946,631
Right-of-use liability, current portion	446,104
TOTAL CURRENT LIABILITIES	<u>1,574,752</u>
Right-of-use liability, long-term portion	<u>29,703,772</u>
TOTAL LIABILITIES	<u>31,278,524</u>
NET POSITION	
Net investment in capital and right-of-use assets (deficit)	(1,238,884)
Restricted	170,929
Unrestricted	3,874,948
TOTAL NET POSITION	<u>2,806,993</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 34,085,517</u></u>

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

TRUE NORTH CLASSICAL ACADEMY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 10,471,434	\$ 528,446	\$ 55,325	\$ -	\$ (9,887,663)
Student and instructional support services	839,933	-	-	-	(839,933)
General administration	41,478	-	-	-	(41,478)
School administration	2,064,786	-	-	-	(2,064,786)
Central services	761,988	-	-	-	(761,988)
Fiscal services	68,461	-	-	-	(68,461)
Food services	589,306	321,314	233,592	-	(34,400)
Pupil transportation services	59,669	-	-	-	(59,669)
Operation of plant	3,823,672	-	-	2,301,897	(1,521,775)
Administrative technical services	118,927	-	-	-	(118,927)
Community services	237,276	491,445	-	-	254,169
Student and extracurricular activities	1,896,577	928,879	-	-	(967,698)
Interest expense	1,261,105	-	-	-	(1,261,105)
Total Governmental Activities	\$ 22,234,612	\$ 2,270,084	\$ 288,917	\$ 2,301,897	\$ (17,373,714)
GENERAL REVENUES:					
					\$ 13,524,220
					3,727,305
					951,710
					<u>18,203,235</u>
Change in Net Position					829,521
NET POSITION - BEGINNING					<u>1,977,472</u>
NET POSITION - ENDING					<u><u>\$ 2,806,993</u></u>

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

**TRUE NORTH CLASSICAL ACADEMY
BALANCE SHEET – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026**

Total Fund Balance - Governmental Funds	\$ 4,045,877
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the fund.

Capital assets	3,537,822
Accumulated depreciation	(2,279,439)

Right-of-use assets and liabilities used in governmental activities are not financial resources or obligations and therefore are not reported.

Right-to-use asset, net	27,652,609
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Right-to-use liability	(30,149,876)
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Total Net Position - Governmental Activities	<u><u>\$ 2,806,993</u></u>
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The accompanying notes are an integral part of this financial statement.

TRUE NORTH CLASSICAL ACADEMY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,939,942	\$ -	\$ -	\$ 4,939,942
Due from other agencies	15,588	33,632	90,673	139,893
Deposit receivable and other assets	94,690	-	-	94,690
Due from other fund	274,160	-	170,929	445,089
TOTAL ASSETS	<u>\$ 5,324,380</u>	<u>\$ 33,632</u>	<u>\$ 261,602</u>	<u>\$ 5,619,614</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 182,017	\$ -	\$ -	\$ 182,017
Accrued wages payable	946,631	-	-	946,631
Due to other fund	170,929	183,487	90,673	445,089
TOTAL LIABILITIES	<u>\$ 1,299,577</u>	<u>\$ 183,487</u>	<u>\$ 90,673</u>	<u>\$ 1,573,737</u>
FUND BALANCE				
Nonspendable				
Prepaid and other assets	\$ 94,690	\$ -	\$ -	\$ 94,690
Restricted	-	-	170,929	170,929
Unassigned	3,930,113	(149,855)	-	3,780,258
TOTAL FUND BALANCE	<u>\$ 4,024,803</u>	<u>\$ (149,855)</u>	<u>\$ 170,929</u>	<u>\$ 4,045,877</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,324,380</u>	<u>\$ 33,632</u>	<u>\$ 261,602</u>	<u>\$ 5,619,614</u>

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

TRUE NORTH CLASSICAL ACADEMY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Funds	Special Revenue Fund	Capital Projects Fund	Governmental Funds
REVENUES				
State passed through local	\$ 13,524,220	\$ -	\$ -	\$ 13,524,220
Local tax referendum	3,727,305	-	-	3,727,305
State capital outlay funding	-	-	2,301,897	2,301,897
Federal grants	-	288,917	-	288,917
Charges and other miscellaneous local sources	1,971,601	1,250,193	-	3,221,794
TOTAL REVENUES	19,223,126	1,539,110	2,301,897	23,064,133
EXPENDITURES				
Current:				
Instruction	10,221,712	55,325	-	10,277,037
Student and instructional support services	839,933	-	-	839,933
General administration	41,478	-	-	41,478
School administration	1,931,201	-	-	1,931,201
Central services	761,988	-	-	761,988
Fiscal services	68,461	-	-	68,461
Food services	-	589,306	-	589,306
Pupil transportation services	29,512	-	-	29,512
Operation of plant	2,878,757	-	-	2,878,757
Administrative technical services	118,927	-	-	118,927
Community services	237,276	-	-	237,276
Student and extracurricular activities	928,879	967,698	-	1,896,577
Capital Outlay:				
Other capital outlay	-	-	478,370	478,370
Debt Service:				
Redemption of principal	-	-	391,493	391,493
Interest	-	-	1,261,105	1,261,105
TOTAL EXPENDITURES	18,058,124	1,612,329	2,130,968	21,801,421
NET CHANGE IN FUND BALANCE	1,165,002	(73,219)	170,929	1,262,712
Fund balance at beginning of year	2,859,801	(76,636)	-	2,783,165
Fund balance at end of year	<u>\$ 4,024,803</u>	<u>\$ (149,855)</u>	<u>\$ 170,929</u>	<u>\$ 4,045,877</u>

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

TRUE NORTH CLASSICAL ACADEMY
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

Change in Fund Balance - Governmental Funds	\$ 1,262,712
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays	478,370
Depreciation expense	(411,306)

The proceeds from loans, right-of-use and capital leases provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net position. Repayment of advance principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Redemption of principal	391,493
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In the statement of activities, amortization of the right-to-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense. Right-to-use asset/liability adjustments due to modifications are a reconciling item as the governmental fund balance sheet does not include these assets or liabilities.

Amortization expense	(891,748)
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Change in Net Position of Governmental Activities	<u>\$ 829,521</u>
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The accompanying notes are an integral part of this financial statement.

**TRUE NORTH CLASSICAL ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

True North Classical Academy is a charter school sponsored by the School Board of Miami-Dade County, Florida (the “District”). True North Classical Academy’s charter is held by True North Classical Academy, Inc. (the “Organization”), a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of True North Classical Academy is the Board of Directors of the Organization, which is comprised of four members and also governs other charter schools.

Effective July 1, 2023, the District approved the merger of True North Classical Academy’s operations with that of two separate charter schools, as follows: True North Classical Academy High School and True North Classical Academy Dadeland. The charter agreements of these schools were not renewed subsequent to June 30, 2023, which was the final year of operations of the schools under the MSID # 7039 and 1002, respectively. During the year ended June 30, 2024, True North Classical Academy absorbed the operations, net position and fund balance of the two schools. As such, these financial statements include the operations of True North Classical Academy, True North Classical Academy High School and True North Classical Academy Dadeland (collectively referred to as the “School”).

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

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Miami-Dade County, Florida. The current charter is effective until June 30, 2035. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed for up to an additional 5 years by mutual agreement.

These financial statements are for the year ended June 30, 2026, when 1,537 students were enrolled in grades K through 12th grade.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 for the School as a whole. Both statements report only governmental activities, as the School does not engage in any business type activities. These statements do not include fiduciary funds.

**TRUE NORTH CLASSICAL ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Major individual governmental funds, namely, the general, special revenue, and capital project funds are reported as separate columns in the fund financial statements:

General Fund – is the School’s primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects, such as federal funding, federal lunch program, and COVID-19 emergency relief funding. Also, activity in connection with school, student athletics, class and club activities and organizations are reported in this fund.

Capital Projects Fund – used to account for financial resources used for the acquisition, leasing, or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The government-wide statements report using the economic resources measurement focus and the 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. Revenues from non-exchange transactions are reported according to GASB Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*”. On the accrual basis, revenues from grants and donations are recognized 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 current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. 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. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**TRUE NORTH CLASSICAL ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay). Any revisions to the annual budget are approved by the board.

Cash and Cash Equivalents

The School's cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

Due from Other Agencies

Due from other agency consists of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources, primarily on a cost-reimbursement basis. These receivables are considered to be fully collectible and as such, no allowance for uncollectible accounts is accrued.

Capital Assets and Depreciation

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$500 per unit on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	5 Years
Computer equipment and software	7 Years
Textbooks	3 Years
Leasehold improvements	5 Years

Compensated Absences

The School grants a specific number of days for sick/personal leave. Full-time office and administrative employees are eligible for up to ten days of active work during the ten-month period (a "benefit year"). Teachers are eligible for up to seven days of active work during the benefit year. In the event that available time is not used by the end of the benefit year, employees may not "rollover" all unused days for use in future benefit years.

Pursuant to recently issued GASB Statement No. 101, *Compensated Absences*, only leave that accumulates should be recognized as a liability for leave that has not been used because if it does not accumulate, a government would not have an obligation for it at the date of the financial statements. For organizations with use-it-or-lose it policies, for which any unused leave is forfeited at the end of the fiscal year, there is no obligation to provide time off or payment or settlement in a future period. Accordingly, no liability for compensated absences is reported in these financial statements. See Adopted Accounting Pronouncements.

TRUE NORTH CLASSICAL ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Fund Net Position

Government-wide fund net position are divided into three components:

- Net investment in capital and right-of-use assets (deficit) – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. This also includes the right-of-use asset net of the right-of-use liability. The net investment in capital and right-of-use assets for the year ending June 30, 2026, was (\$1,238,884).
- Restricted – consists of net assets with constraints placed on their use, either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. At June 30, 2026, restricted net position was \$170,929.
- Unrestricted – all other net position is reported in this category, including amounts due from affiliates and charter schools.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2026, the School's nonspendable fund balance was \$94,690.
- 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. At June 30, 2026, restricted fund balance for capital outlay was \$170,929.
- 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. At June 30, 2026, there is no committed fund balance.
- 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. At June 30, 2026, there was no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School's general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First, non-spendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2026, there are no minimum fund balance requirements for any of the School's funds.

TRUE NORTH CLASSICAL ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

The School also may 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 expensed. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Adopted Pronouncements

In June 2022, GASB issued Statement No. 101 ("GASB 101"), *Compensated Absences*, which establishes a unified model for the recognition and measurement of all types of compensated absences, such as vacation leave, sick leave, and paid time off. This Statement replaces the prior guidance in GASB Statement No. 16 and requires that a liability be recognized as leave is earned, regardless of whether it vests or is contingent on future events, to the extent it is more likely than not to be used for time off in a future reporting period or otherwise paid to the employee.

The School grants a specific number of days for sick/personal leave each benefit year. Unused days do not carry forward to subsequent benefit years and are not paid out under any circumstance ("use-it-or-lose-it" policy). Because no leave earned in the current year results in a future obligation once the benefit year ends, the School determined that no liability for compensated absences is required under GASB 101.

TRUE NORTH CLASSICAL ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made for the School in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 9, 2026, which is the date the financial statements were available to be issued.

NOTE 3 – CAPITAL AND RIGHT-OF-USE 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 July 1, 2025	Additions	Deletions	Balance June 30, 2026
Capital Assets				
Leasehold improvements	\$ 1,403,422	\$ 58,396	\$ -	\$ 1,461,818
Furniture and equipment	732,141	289,812	-	1,021,953
Textbooks	827,083	65,387	-	892,470
Motor vehicles	96,806	64,775	-	161,581
Total Capital Assets	<u>3,059,452</u>	<u>478,370</u>	<u>-</u>	<u>3,537,822</u>
Less: Accumulated Depreciation				
Leasehold improvements	(725,508)	(53,167)	-	(778,675)
Furniture and equipment	(525,740)	(133,585)	-	(659,325)
Textbooks	(588,247)	(194,397)	-	(782,644)
Motor vehicles	<u>(28,638)</u>	<u>(30,157)</u>	<u>-</u>	<u>(58,795)</u>
Total Accumulated Depreciation	<u>(1,868,133)</u>	<u>(411,306)</u>	<u>-</u>	<u>(2,279,439)</u>
Capital Assets, net	<u>\$ 1,191,319</u>	<u>\$ 67,064</u>	<u>\$ -</u>	<u>\$ 1,258,383</u>

Depreciation expense for the year ended June 30, 2026 was \$411,306, of which \$133,585 was allocated to school administration, \$53,167 was allocated to operation of plant, \$194,397 was allocated to instruction and \$30,157 was allocated to transportation.

TRUE NORTH CLASSICAL ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 3 – CAPITAL AND RIGHT-OF-USE ASSETS (Continued)

The following schedule provides changes in right-of-use assets (see Note 6):

	Balance July 1, 2025	Additions	Deletions	Balance June 30, 2026
Right-of-use assets				
Right-of-use asset- Facilities	\$ 31,753,786	\$ -	\$ -	\$31,753,786
Total capital assets	<u>31,753,786</u>	<u>-</u>	<u>-</u>	<u>31,753,786</u>
Less accumulated amortization				
Right-of-use asset- Facilities	(3,209,429)	(891,748)	-	(4,101,177)
Total accumulated depreciation	<u>(3,209,429)</u>	<u>(891,748)</u>	<u>-</u>	<u>(4,101,177)</u>
Right-of-use assets, net	<u>\$ 28,544,357</u>	<u>\$ (891,748)</u>	<u>\$ -</u>	<u>\$ 27,652,609</u>

Amortization expense for the year ended June 30, 2026 was \$891,748, which was allocated to operation of plant.

NOTE 4 – DUE FROM OTHER AGENCIES

Amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds consist primarily of amounts due under the National School Lunch Program (“NSLP”) and charter school capital outlay funding programs. These receivables are considered fully collectible and, accordingly, no allowance for uncollectible accounts has been recorded.

NOTE 5 – TRANSACTIONS WITH RELATED PARTIES

The Organization operates two other charter schools, True North Classical Academy at Pinecrest and True North Classical Academy at Gateway.

The Organization charges its affiliate schools an assessment fee per student for fiscal and administrative services. During the year ended June 30, 2026, the School was charged approximately \$762,000 in connection with these services. In addition, the Organization charges rent to the School for a portion of the facilities (see Note 6).

No amounts were due from related parties at June 30, 2026.

TRUE NORTH CLASSICAL ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Facility Leases

In 2018, the Organization entered into an agreement with Sunset Chapel, Inc. to lease educational facilities through June 30, 2059. The agreement requires monthly lease payments equal to \$800 per student up to 362 students, plus a fee per student in excess of 362. The fee per student in excess of 362 is \$250 per student in years 1 through 10; \$260 in years 11 to 25; and \$400 in years 26 to 40. The lease has a minimum annual rent guarantee of \$289,600 throughout the entire term of the lease. During the year ended June 30, 2026, the amount paid by the School for the use of the facilities was approximately \$73,000.

In accordance with the above lease agreement, the Organization funded the construction of additional facilities and improvements to the existing facilities on the leased property, which allowed the School to expand and utilize additional space. Commencing July 2023, the School shall pay monthly rent of \$105,834 to the Organization for use of the additional facilities, which is 53% of the Organization's debt service obligations under financing arrangements undertaken to fund the expansion. The percentage is based upon the School's usage of the additional facilities. Monthly rent shall be paid the end of the lease term with Sunset Chapel, Inc., June 30, 2059.

The School also entered into an agreement with Saint Andrew Greek Orthodox Church of Kendall, Inc. (the "Landlord") to lease the School's facilities through July 2050. The lease agreement also requires the School to fund the construction of additional facilities on the leased property, which was completed prior to the start of the 2022-2023 year. The School's required monthly rent payment increased upon completion of the construction and was \$24,740 through October 2023 and \$31,695 from October 2023 through July 2024. The School's required monthly rent payment for the fiscal year was \$31,695. On August 1st of each year, the minimum rent shall increase by 2% per annum each year. For the year ended June 30, 2026, the amount paid by the School for the use of the facilities and services was \$422,256.

In accordance with the lease agreement, the Organization funded the construction of additional facilities on the leased property on behalf of the School, which has allowed the School to expand and utilize additional space. The School is entitled to use the additional facilities under agreement with the Organization that requires annual payments in amounts equal to a percentage of the annual debt service payments on financing obligations undertaken by the Organization to fund the construction. During the year ended June 30, 2026, the School paid monthly rent of \$164,197 to the Organization for use of the additional facilities, which is 36% of the Organization's related debt service obligations and is based upon the School's usage of the additional facilities constructed through financing. Monthly rent shall be paid through December 1, 2030, the date in which the financing obligations mature, at which point the School will continue to pay rent to the Organization for continued use of the additional facilities through the end of the lease term with the Landlord, July 2050.

The School has implemented GASB No. 87, *Leases*, and as a result, has recorded a right-of-use asset and liability in these financial statements related to its facility agreements. The School used an interest rate of 4.5% based on the average incremental borrowing rate of the Organization to discount the annual lease payments and recognize the intangible right to use the leased assets and the related lease liability. During the year ended June 30, 2026, the interest expense related to the right to use liabilities was approximately \$1,100,000 and the amortization expense of the right to use assets was \$891,748.

TRUE NORTH CLASSICAL ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

NOTE 6 – COMMITMENTS AND CONTINGENCIES (Continued)

Changes in long-term right-of-use liability during the year are as follows:

	Balance July 1, 2025	Additions	Decreases	Balance June 30, 2026
Right-of-use liability- Facilities	\$ 30,541,369	\$ -	\$ (391,493)	\$ 30,149,876
	<u>\$ 30,541,369</u>	<u>\$ -</u>	<u>\$ (391,493)</u>	<u>\$ 30,149,876</u>

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

Fiscal Year Ended	Principal	Interest	Total	
2027	\$ 446,104	\$ 1,379,810	\$ 1,825,914	
2028	484,238	1,349,080	1,833,318	
2029	514,529	1,326,348	1,840,877	
2030	548,792	1,302,150	1,850,942	
2031	582,402	1,276,399	1,858,801	
2032-2036	3,479,485	5,938,009	9,417,494	(Total for 5 Year Period)
2037-2041	4,616,861	5,022,068	9,638,929	(Total for 5 Year Period)
2042-2046	6,139,651	3,809,840	9,949,491	(Total for 5 Year Period)
2047-2051	6,967,409	2,212,553	9,179,962	(Total for 5 Year Period)
2052-2056	3,622,227	1,065,333	4,687,560	(Total for 5 Year Period)
2057-2059	2,748,178	194,220	2,942,398	(Total for 5 Year Period)
	<u>\$ 30,149,876</u>	<u>\$ 24,875,810</u>	<u>\$ 55,025,686</u>	

NOTE 7 – DEPOSITS AND CREDIT RISK

Cash and cash equivalents are maintained in financial institutions. It is the School's policy to maintain its cash and cash equivalents in major banks and in high-grade investments. The School is a charter school under the Organization, which also operates other charter schools. All bank accounts are opened under the account ownership of the Organization. Therefore, bank balances at times may potentially be in excess of the Federal Deposit Insurance Corporation ("FDIC") limit of \$250,000. At June 30, 2026, the School's bank balance exceeded federally insured limits by approximately \$3,400,000.

NOTE 8 – INTER-FUND BALANCES

Interfund receivables and payables ("due from/to other funds") are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund. At June 30, 2026, interfund receivables and payables totaled \$445,089. The General Fund reported \$274,160 due from other funds and \$170,929 due to other funds; the Special Revenue Fund reported \$183,487 due to other funds; and the Capital Projects Fund reported \$170,929 due from other funds and \$90,673 due to other funds.

**TRUE NORTH CLASSICAL ACADEMY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026**

NOTE 9 – GRANTS

In the normal course of operations, the School receives grant funds from various federal, state, and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements. It is the opinion of management that the amount of funding, if any, which may be disallowed by grantor agencies would not be material to the financial statements.

NOTE 10 – RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

REQUIRED SUPPLEMENTARY INFORMATION

TRUE NORTH CLASSICAL ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET
AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund				
	Original Budget	Final Budget	Actual	Final to Original Budget Variance	Actual to Final Budget Variance
REVENUES					
State passed through local	\$ 12,936,470	\$ 12,936,470	\$ 13,524,220	\$ -	\$ 587,750
Local tax referendum	3,270,919	3,270,919	3,727,305	-	456,386
Charges and other miscellaneous local sources	972,501	972,501	1,971,601	-	999,100
TOTAL REVENUES	17,179,890	17,179,890	19,223,126	-	2,043,236
EXPENDITURES					
Instruction	10,181,164	10,181,164	10,221,712	-	40,548
Student and instructional support services	905,625	905,625	839,933	-	(65,692)
General administration	-	-	41,478	-	41,478
School administration	1,201,202	1,201,202	1,931,201	-	729,999
Central services	775,500	775,500	761,988	-	(13,512)
Fiscal services	101,493	101,493	68,461	-	(33,032)
Pupil transportation services	-	-	29,512	-	29,512
Operation of plant	2,480,038	2,480,038	2,878,757	-	398,719
Administrative technical services	162,226	162,226	118,927	-	(43,299)
Community services	158,344	158,344	237,276	-	78,932
Student and extracurricular activities	247,643	247,643	928,879	-	681,236
Other capital outlay	356,811	356,811	-	-	(356,811)
Debt service	1,970,364	1,970,364	-	-	(1,970,364)
TOTAL EXPENDITURES	18,540,410	18,540,410	18,058,124	-	(482,286)
NET CHANGE IN FUND BALANCE	\$ (1,360,520)	\$ (1,360,520)	\$ 1,165,002	\$ -	\$ 2,525,522

See accompanying note to the required supplementary information.

TRUE NORTH CLASSICAL ACADEMY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET
AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Special Revenue Fund				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Original Budget Variance</u>	<u>Actual to Final Budget Variance</u>
REVENUES					
Federal grants	\$ -	\$ -	\$ 288,917	\$ -	\$ 288,917
Charges and other miscellaneous local sources	1,645,140	1,645,140	1,250,193	-	(394,947)
TOTAL REVENUES	<u>1,645,140</u>	<u>1,645,140</u>	<u>1,539,110</u>	<u>-</u>	<u>(106,030)</u>
EXPENDITURES					
Instruction	-	-	55,325	-	55,325
Food services	416,956	416,956	589,306	-	172,350
Student and extracurricular activities	757,120	757,120	967,698	-	210,578
TOTAL EXPENDITURES	<u>1,174,076</u>	<u>1,174,076</u>	<u>1,612,329</u>	<u>-</u>	<u>438,253</u>
NET CHANGE IN FUND BALANCE	<u>\$ 471,064</u>	<u>\$ 471,064</u>	<u>\$ (73,219)</u>	<u>\$ -</u>	<u>\$ (544,283)</u>

See accompanying note to the required supplementary information.

TRUE NORTH CLASSICAL ACADEMY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2026

NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2026, was not amended during the fiscal year.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

Significant budgetary variances

Actual revenues exceeded budgeted revenues primarily due to conservative revenue estimates and federal grant funding received during the year that was not anticipated in the original budget.

Actual school administration expenditures exceeded budgeted amounts primarily due to an increase in the School's 401(k) matching contribution. Actual operation of plant expenditures exceeded budgeted amounts primarily due to higher maintenance and repair costs. Actual student and extracurricular activity expenditures exceeded budgeted amounts due to increased field trips and student activities, which were partially offset by related charges and other miscellaneous local revenues exceeding budgeted amounts.



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*

Board of Directors of
True North Classical Academy
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of True North Classical 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 9, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 9, 2026



MANAGEMENT LETTER

Board of Directors of
True North Classical Academy
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of True North Classical Academy (the "School"), Miami, Florida, as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 9, 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; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and 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 9, 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 prior audit findings or recommendations.

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 entity are True North Classical Academy Charter School and 131000.

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 condition(s) 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 same. The financial condition assessment procedures applied in connection with our audit, have led us to believe that the School's overall financial condition as of June 30, 2026 is not deteriorating.

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 maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have 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 have 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, applicable management, and the School Board of Miami-Dade County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Verdeja - Alvarez, LLP

Coral Gables, Florida
September 9, 2026

CERTIFIED PUBLIC ACCOUNTANTS